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Labor Age

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Exposé of a Labor Spy

IN TIME OF WORK PREPARE — For "out of work"

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CONTENTS

In Time of Work Prepare.....*Preface*
Stopping the "Out-of-Work" Curse
Darwin J. Merserole 1
Killing Two Birds (In Cleveland)
Meyer Perlstein.... 5
The Employer Pays—The Union Controls
J. M. Budish..... 7
"Operative 03".....*Louis F. Budenz*... 10
The Far-Flung Firing Line.....*Labor Press* 15
Clothing Russia .....*Robert W. Dunn*... 18
The Maker of the New Mexico.*Prince Hopkins* ... 21
Labor History in the Making..... 23

Contributors To this Issue

J. M. BUDISH. Editor, Headgear Worker, organ United Cloth Hat and Cap Makers' Union.

ROBERT W. DUNN. Formerly with Friends Relief in Russia, who has made special study of clothing industry there.

DARWIN J. MERSEROLE. President, Unemployment League of America.

MEYER PERLSTEIN. Vice-President, International Ladies Garment Workers Union; originator of the "Cleveland Plan."

IN TIME OF WORK, PREPARE—

WINTER is here."

How often in years past has that mere announcement fallen heavily upon the ear of the worker. How often has it sent a pain of fear through his heart. The first flurry of snow was a signal that cold and hunger were ahead of him and his family. Wanting work, he had none; and this vast land—with its millionaires and farm acres and mineral resources of all sorts—could not give work to him.

Happily, that is not so much the case in this winter of 1923. But, it takes only a slight rub on an Alladin's lamp of Despair to bring back the memory of the winter of two years ago. Then millions walked the streets. There was not only unemployment, but under-employment. No one knew when the end of the Black Night would be.

Look across the Atlantic, to our British brothers. They are grappling for a fourth year in succession with this terrible curse. At least two millions of them can get no work. It is a repetition of the picture drawn by Carlyle in 1843. England is full of wealth, he tells us in effect, of produce of all sorts, "supply for human want in every kind"; yet England is dying of emptiness. "With unabated bounty the land of England blooms and grows; waving with yellow harvests; thick-studded with workshops"; yet the worker cannot touch it, and lies in idleness.

That state of affairs is being challenged across the sea. It is the over-shadowing issue in the election which will take place on this December 6th. British Labor demands a fundamental answer, asking a capital levy to settle up the national debts, and extensive public works to give employment to those out of it. The workers there do not regard Unemployment as "an act of God"—as one of our U. S. Senators called it—through which we will have to sit quietly by and which we must as quietly accept.

No less can American workers afford to postpone serious attention to the job of killing this great evil. The last severe depression carries its own lesson. We cannot afford to wait until the next crisis is upon us. We must act now. Like the old maxim "In times of peace, prepare for war"—as President William H. Johnston of the Machinists said last year in discussing this subject—so in times of industrial prosperity we must lay plans to prevent the distresses which arise from the slowing up of productive industry.

How can this be done? Congress opens on the first Monday of this month—and it has one big remedy in its hands. The last session saw the A. F. of L., the Railroad Brotherhoods, the Machinists and other labor bodies pushing forward the National Unemployment League's bill for a commission to lay the ground plans for public works. Other bills of a similar character will appear in the coming session. "Public construction, rather than public relief" has been the sound slogan of the American Labor Movement. Let the National Government and the States continue their road building program and extend it, drain our waste lands and do other necessary public jobs—planned out in advance—when Depression appears. Bills to make this possible should become laws.

Then, there is the grappling with the problem right in industry itself. The needle trades unions are doing that. They are experimenting with voluntary unemployment insurance schemes—in which the employers and the unions join—aiming to make the prevention of unemployment an incentive in industry. These experiments deserve encouragement—and also study by other unions.

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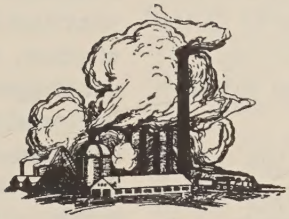
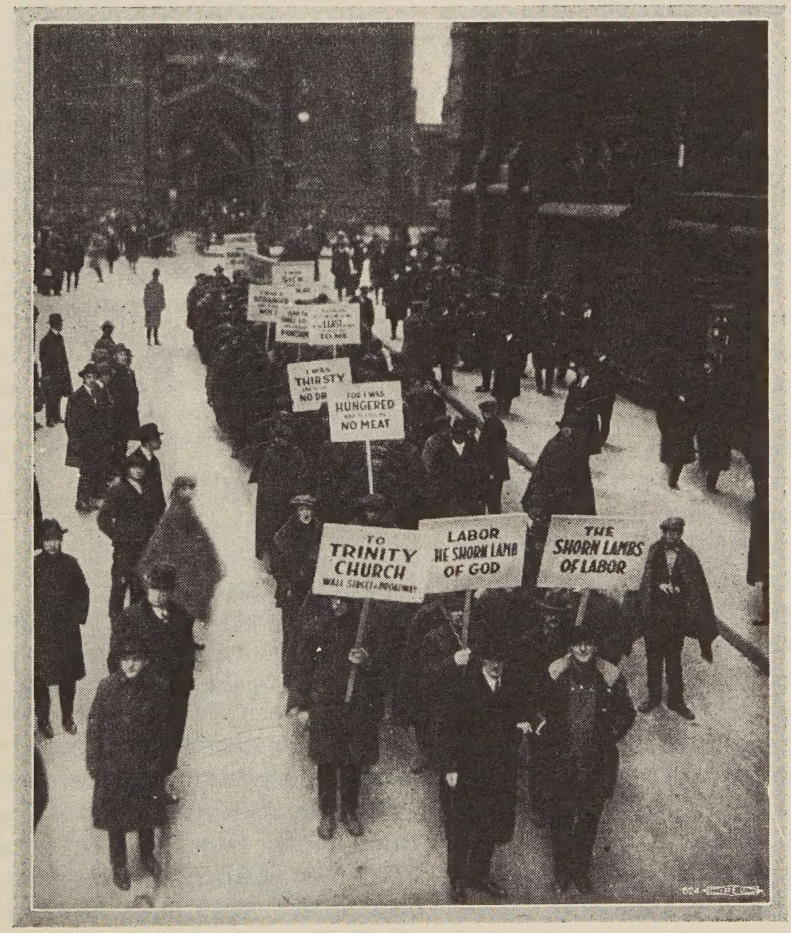


Stopping the "Out-of-Work" Curse

By DARWIN J. MESEROLE

SHALL THESE SCENES BE REPEATED?


I WAS THIRSTY AND YE GAVE ME NO DRINK
FOR I WAS HUNGERED AND YE GAVE ME NO MEAT
TO TRINITY CHURCH
LABOR HE SHORN LAMB OF GOD
THE SHORN LAMBS OF LABOR

March of Urban Ledoux and Some of the Unemployed from Trinity Church New York (1921)

WHEN Mr. Taft was a candidate for President in the campaign of 1908, he was asked by a wage earner in Cooper Union, New York: "What is a man to do when he is out of work and his wife and children are starving?" Unemployment at that time was widespread. But Mr. Taft could only answer: "God knows. He has my sympathy."

In one of the most serious unemployment crises in a generation, 1893 to 1896, when a large manufacturer was appealed to for a job for an unemployed man, he pointed out a waiting list, with many married men on it. "You see what the condition is," was his hopeless comment. Asked what

he was doing about it, he said: "What can we do about it?" with special emphasis on "can."

In 1915, the head of the largest industrial corporation in this country was also chairman of the Mayor of New York City's Unemployment Committee. Faced with thousands of out-of-works in the Big City, he could only throw up his hands and say: "What can a man do? I have 80,000 of my own men out of work."

These responses from the politician, the manufacturer and the captain of industry reveal how utterly Private Industry has failed to meet industrial crises and depressions, and to provide employment in time of unemployment.

A few years ago it was a widespread belief that unemployment—and poverty coming therefrom—was the personal problem of the out-of-work man himself. Any man who was idle for any length of time was "shiftless." He "preferred to be supported by his family, or by private or public charity." So the story went.

Out-of-Work "Cycles"

But we have learned a great deal in the last few years. It is now generally understood that our Present System breeds cycles of business depression, which throw millions of workers out of work for months at a time. "Fifteen times within the past 110 years, American business has passed through a 'crisis'," writes Dr. Wesley C. Mitchell, of the National Bureau of Economic Research. "The list of crisis years . . . shows that the periods between successive crises have varied considerably in length. . . . A crisis is expected to be followed by a depression, the depression by a revival, the revival by prosperity, and prosperity by a new crisis. Cycles of this sort can be traced for at least one century in America, perhaps for two centuries in the Netherlands, England, and France, and for shorter periods in Austria, Germany, Italy, Spain, and the Scandinavian countries. Within a generation or two similar cycles have begun to run their courses in Canada and Australia, South America, Russia, British India, and Japan."

As these "cycles" are the peculiar result of the Business or Industrial System under which we are at present, they can only be handled by Industry itself or by Society as a whole. The individual worker, as such, is completely at their mercy. He has no cyclone cellar to which to go when the Depression Tornado comes over the land. He cannot work when there is no work. He cannot provide the work for himself.

It was the recognition of this fact that led to the calling by the late President Harding of the National Conference on Unemployment at Washington in September, 1921. Its membership was composed of the leading representatives of business and labor; economists, publicists, settlement workers, clergymen and public officials. It was not suggested by any member of this group in the two weeks given to the discussion of the subject that unemployment was the problem of the individual worker. It was conceded, on the other hand, to be a problem for Business or Industry itself, and of Society in general.

The Last Depression

The Conference, in its statement of the conditions existing at that time, declared that there were from 3½ to 5½ millions of workers out of employment. The Secretary of Labor estimated 5¾ million and some labor men placed the figure as high as 10 millions. Conditions were as bad, and the suffering as acute, as at any time in the country's history, with the possible exception of the winter of 1914-1915. Many factories throughout the country were closed for months, while others were working at 10 per cent to 50 per cent capacity. Copper or coal mines were either shut down entirely or operations were greatly curtailed. The railroads had hundreds of thousands of idle freight cars on their hands for months. Bankruptcies and receiverships multiplied with alarming losses. These were all the products of general industrial let-down and business depression.

No, the "shiftless" worker could not be conjured up to take the blame for this situation. He took work whenever and wherever he could get it. He got out and shovelled snow in the dead of night with shoes broken and stomach unfilled. "To men ill-fed and clothed it smacks of the heroic to work all night in the snow and rain, especially if one's shoes are broken." So wrote President John G. Hallimond of the Bowery Mission and Young Men's Home to the New York Times of March 29, 1922. "The men had a chance to work and took it," he adds. "We could have furnished hundreds more if called upon. The men of the Bowery are not loafers—they are decent, law-abiding citizens, anxious to work at anything and only patronize bread lines through dire necessity." When the sharp, naggard face of the worker is looked into as he faces with dread another "panic," what hollow mockery has been this mummery about this

straw man—the "Shiftless Worker"—now happily fading out of view.

Curing "Hard Times"

What then is the cause of these swells of "Hard Times," that strike us down like breakers at sea? Answer that, and we can find perhaps what to do about them.

Clearly, their chief cause is the "over-production" of foodstuffs, factory products, and housing, for which there is no adequate economic demand either at home or abroad. "Economic demand" means, of course, persons with a purchasing power sufficient to buy the goods turned out, at a price equal to the cost of production or at a profit to the manufacturer. The same condition may be stated as "under-consumption" of such products, because of the inability of the masses of the people—through loss of wage-earning power—to buy the goods of which they are in dire need.

Stop for a moment and get the picture. The workers cannot buy the things they want and must have. They have no money to make these purchases. Therefore, business and industry slack up; other workers are thrown out of work, and things in general go to pot.

The chief remedy, then, simply stated, is to restore to the workers—or rather, to that per cent of the 40 odd million workers of the nation who are thrown out of work every so often—employment that will allow them to purchase what they need. That will again set the wheels of industry in motion. In a country filled with the products of the industry of these workers—food, clothing, building materials and other goods—there is no reason under the sun why they should be allowed to suffer and often starve. Employment is the "structural necessity of our industrial life." So, involuntary unemployment, in the midst of the vast wealth of this country, is the great communal crime of our generation.

The A. F. of L.'s Remedy

The simple and natural way to assure the workers of continuous employment—and thus give them this needed purchasing power—is through the expansion of public works in times of depression. This is by no means a new idea. It has been suggested time and time again. It is one of the principal planks in the present platform of the British Labor Party. It has been endorsed, for this country, by the American Federation of Labor and the Railroad Brotherhoods. It is the Federation's chief suggestion to meet the unemployment curse.

As private industry slows down, the displaced labor can be turned into channels of public improvement—creating a network of roads across the country, building up our forests, draining waste lands, electrifying the light, heat and power of the nation, and developing waterpower. Thus would great wastes of our Present System at the same time be checked. It has been said that the bad roads of our nation cost us $2,000,000,000 a year, that our failure to develop the water power of the country costs us hundreds of millions annually, and that our neglect of our forests and waste lands has added many millions more to this already astounding total.

The National Government has for some years past appropriated large sums of money for public works. Roads, water power and reclamation of waste lands have received its attention. In the field of public highways, in particular, funds have been set aside to match equal sums voted by State legislatures for the building of modern, permanent roads. No good reason can be given why this effort should not be extended so as to provide work for men in periods of unemployment. Every reason says that it is the wise and humane thing to do.

The Bill Before Congress

In the last session of Congress a bill was introduced, which received the whole-hearted approval and support of Organized Labor. It provided for a commission, appointed by the president, to lay the ground for a systematic working out of public works in road building, forest preservation, and the drainage and irrigation of waste lands—so that such work would be pushed during periods of crisis and depression. It made it possible that out-of-work men might work and support themselves, instead of having the only present alternative: to starve and freeze.

The bill did not get through the last Congress, because of the late consideration it received. But it made favorable progress, and will appear again at this coming session. It will not be a whit too early; for, we cannot be sure when the next drop in industrial conditions will come. It may be just around the corner. When such a time does come, as Mr. Edward F. McGrady said to the House Committee in February, speaking for the A. F. of L. workers: "We want work." "The American citizen wants work," he continued, with emphasis. "He does not appeal for charity, and we believe that now, when we are supposed to be in an era of prosperity, that now is the time to investigate this condition of unemployment, so that when un-

The Unprotected Workers of America

How Ill-Prepared We Are for Long "Out-of Work" Crises

AMERICAN workers are at the mercy of the "cycles" of unemployment which regularly sweep the country. The Government, ever solicitous for Business, has done nothing in permanent form to meet out-of-work problems when they arise. The legislation favored by the American Federation of Labor and other bodies—for large public work in times of unemployment—has not yet received favorable consideration. It is the thing that must be driven at during the 68th Congress.

In the industries themselves, in the past, practically nothing has been done against this evil. Dr. John B. Andrews, in his brief report to the President's Unemployment Conference, points out that the trade unions have attempted through out-of-work benefits to deal with the effects of regularly recurring unemployment. "But after 90 years (of trade union effort along this line)," he says, "a bare half-dozen national unions are known to be paying out-of-work benefits." Four international unions, he reports, acknowledged unemployment benefits in operation on July 1, 1922—the German-American printers, with 700 members; the Diamond Workers, with 600 members; the Potters with a membership of 9,200, and the Lithographers with 7,200 members. The Cigar Makers abandoned their cash benefit plan, after it had been in effect for 30 years.

The most successful direct union out-of-work benefit is the out-of-work stamp devised by the International Molders Union. This plan has been in operation for 25 years. Under it, the national union agrees to pay for a period of 13 weeks the dues of the members in 6 months good standing, who have been unemployed two weeks. The union is able to do this by drawing on the "out-of-work fund"—raised from the members at the rate of 1 cent per capita per week. When a member is unemployed, the union pays for his dues stamps out of this fund. From the beginning of the plan, 2,353,286 out-of-work stamps have been issued by the International. From June 30, 1917, to June 30, 1923, more than half of this amount was issued—1,354,098, to be exact, totaling $243,737.64. The report to the last convention reaffirms the intention of the officers to keep the fund intact.

But the big job of protecting our workers against unemployment is yet to be done. The time to begin is NOW.

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UNPROTECTED

The Steel Worker is among the great army which has no safeguard against unemployment.

employment does come, when hard times are commencing to develop, we will have a definite plan of work laid out for our American citizens to carry them over that period of unemployment and depression and hunger and suffering."

This "hunger and suffering"—and the great losses to the nation that go with them—have not come from failure of crops, ruin of mines or forests, or loss of our oil supply. Nor have they come from pestilence, famine, flood or earthquake. When such calamities, beyond our control, crowd upon us, we always meet them courageously. We repair the damage speedily, where possible, and often prevent a return of the disasters. Why, in the face of this oldest and commonest enemy of mankind—poverty—should we stand hopeless and helpless?

With our great natural resources, by taking this step toward systematic public works, we can go far to stamp out forever the plague of Involuntary Unemployment. The action of Labor points the way for the Nation.

Killing Two Birds (IN CLEVELAND)

Death Knell of Unemployment and the Sweatshop

By MEYER PERLSTEIN

"HOW can the workers' jobs be made steady and secure?"

To answer that question fully is a pretty big order. Under our present system, it sounds at first blush almost like one of those useless questions made famous by Rube Goldberg. Waves of employment and unemployment are regular parts of the system. To these waves, which throw great masses of men out of work, are added the seasonal out-of-work periods in certain trades. These put men and women on the unemployed list at certain times during each year.

If you are a building worker, you will look forward to a slack period in the winter months. If you are a cutter or finisher or some other worker in the needle trades, you can expect a number of weeks without work every 12 months.

Though the workers in the ladies garment industry in Cleveland have not solved the out-of-work question on a nation-wide scale, they have hit upon a plan which guarantees a regular and definite amount of work each year in their own industry. They are relieved from the worry and wear and tear of not knowing when unemployment will come and how long it will last. They have not obtained this security through Unemployment Insurance; but what can be rather called Unemployment Assurance.

The burden of seasonal unemployment should be put upon the seasonal industry itself. That is the idea back of the Cleveland plan. That will make the employers eager and anxious to extend the employment period as long as possible. In working out the plan, we wanted to make it of advantage to the employer to go out and get work which would keep the men busy. We wanted to make it to their disadvantage to throw workers on the labor market without warning and without regard to consequences. In other words, we wanted to make "steady employment pay."

It was in 1921 that the plan was agreed upon. In June of that year it went into effect. It is, therefore, the first, and only thoroughly-tested, unemployment plan adopted by the needle trades unions. During its two years of operation it has produced the results expected. It has secured a number of weeks of employment each year for the workers—or the equivalent thereof—and has spurred on the employers to obtain extra (and so-called "unprofitable") work, to keep the workers going during what would otherwise have been an out-of-work period.

The plan is after all a rather simple one. As first agreed upon, it ran like this: each manufacturer of ladies' garments guaranteed to his regular workers employment for 20 weeks during each half year. Those who left voluntarily or who were discharged for good cause were not included. If the 20 weeks' work was not provided by the employer, the workers were to receive two-thirds of their minimum wage during that part of the 20 weeks that they were out of work.

In other words, the union workers in Cleveland said to the employers: "It is up to this industry to furnish at least 20 weeks of employment each six months. It is up to you, as the agents of the industry, to supply this much work, or pay the workers for not supplying it."

The employers, in accepting this viewpoint, had conditions and demands of their own. In fact, the unemployment guarantee demand had arisen out of their insistence on a production standard. They had said: "We must insist that production be kept up to a certain standard. The cost of production is one of our first considerations. It is closely involved in the wage question. We want a wage based on the production of the worker."

The union—after negotiations—replied that it had no objection to the establishment of production standards, if it had a secure hand in their control. It was agreed that wages should be paid according to production—but that the standard of production by which this was to be measured should be set by engineers, representing employers and workers, under the direction of an impartial chairman. The salaries and expenses of these engineers should be paid jointly by the union and the manufacturers association. It was further agreed that the production standard found by the engineers should be based on the output of the average worker, and not of the fast or slow worker. **A minimum wage scale, however, was devised, based on the cost of living. The wages for production are above and beyond this minimum, or living wage.**

There was another limitation on the guarantee. It was this, that the employer was not to be liable to his employees for more than 7½ per cent of his total labor payroll for the six months covered by the first agreement. Each week the employer paid into the hands of the impartial chairman 7½ per cent of the payroll for that week. This was not put into a general fund. It was credited to each employer, so that it could be returned to him at the end of the six months if he provided the 20 weeks employment. If he fell short on the guarantee, his payments were used to award his employees the agreed-upon fee, for the weeks that they were out of work.

You can see that the payment to the workers is a penalty on the employer for not procuring employment. It makes him get busy, to see that the necessary amount of work is secured to cover the guaranteed period.

How has the plan worked? It can be said unhesitatingly that it has proved a success, and that it offers a solution for the widespread unemployment in our particular industry. According to a statement by the manufacturers themselves, "the result of the plan has, without any doubt, been an increase of work in the shops." This is also shown by the amount of money paid out from the funds collected, to the workers as unemployment penalties. During the first six months, from June 1 to December 1, 1921, $93,274.40 was collected, and only $33,126.40 was paid out.

It must be remembered that this experiment—for such it was at that time—was carried out when the industrial depression was at its height. Without doubt, therefore, it worked. This encouraged the workers to renew the agreement for 1922—to cover that entire year. They demanded, and secured, a guarantee of 41 weeks work this time for 12 months. Later on another change was made in the agreement, in regard to the amount of the employer's payment. The workers wanted it to be "morally certain" that they would get either the 41 weeks work or the penalty. To provide for this, it was decided that the employer might either pay on the basis of the 7½ per cent of his labor payroll, or pay a 10 per cent lower wage rate and deposit 25 per cent of the payroll.

Nineteen twenty-two saw the same successful record made with the plan as in the previous half year. Manufacturers and workers agreed that it was a good thing for the industry. The arrangement of that year was continued for 1923.

During the last month negotiations have been on for a renewal of the plan for the coming year. Only a few days ago final steps were made which assures that it will go on through 1924. Unfortunately, the condition of the market has been such that the workers found it necessary to make concessions which they ordinarily would not have made. They did not feel justified at this time to wage a long-drawn-out fight with the manufacturers. They agreed, under the compulsion of conditions in the trade, to a 40-week guarantee instead of 41. The amount of the penalty was also cut from two-thirds of the minimum wage to one-half of that wage. This is only a temporary condition, it is more than safe to say. As the employers have been able temporarily to revise the provisions downward, so will the workers in the near future be able to revise them upward.

When this plan was first proposed by myself for the workers, and the employers committee, great numbers of workers and manufacturers were opposed to the whole idea. It was only after much persuasion that the two sides agreed to try it out at all. Today, they unanimously agree that it has built up and stabilized the Cleveland industry—and has been a great boon to the workers there. The most eloquent tribute to its effectiveness is the fact that the International Ladies Garment Workers Union has adopted it as their program for the industry throughout the nation.

Best of all, it has destroyed—once and for all—the sweatshop evil. We can say with pride that there are no sweatshops in the ladies garment trade in Cleveland. By being penalized for unemployment in his own shop, the manufacturer loses money by sending work to sweatshops.

This is one of the respects in which it is superior to the Amalgamated Chicago plan, with which it must not be confused. The Amalgamated plan will not touch the sweatshops, but may even increase them. It will also help the worker who least needs help. For, the man who works only 30 weeks gets but five weeks "insurance" and the man who works 40 weeks gets the same. At the same time, as the worker must pay part of this fund, the 30 weeks worker and his 30 weeks employer have built up a smaller fund than the 40 weeks worker and employer. The Amalgamated plan has borrowed the shop basis of the Cleveland plan—but in the Chicago case, as can readily be seen, it is a weakness instead of a strength.

The extension of Cleveland's successful experiment to the entire ladies garment industry will sound the death knell of seasonal unemployment and the sweatshop. Never were two birds more literally killed with one stone than by this scheme.

Union Controls—Employers Pay

Program Being Worked Out By Needle Trades

By J. M. BUDISH

TO the masses of the workers, unemployment is a "sword of Damocles," hanging over their lives and undermining their vitality. Their bodies and souls are covered with the scars left by its ravages.

The experience of the entire capitalist world, since its inception, has shown that unemployment is inherent in industry, run primarily for profit and not for service. As long as profit is the only driving force which induces the capitalists to keep industries going, the wheels of industry must naturally get clogged by the ever-growing profits. These profits are so large that they cannot possibly be consumed by the Profit Makers, despite all their extravagances. On the other hand, they cannot be all put back into the making of more profits, as the purchasing power of the producers —the workers and farmers—increases very slowly, if at all.

The first and foremost protection of the workers against the suffering and distress of unemployment is organization. The organized power of the Unions enables the worker to gain some improvements in wages during the periods of industrial prosperity. Thus, opportunity is given to provide to some extent for a rainy day. But the experience of the Labor Movement, nevertheless, has shown that it is very hazardous for Organized Labor to leave to its individual members the problem of preparing against out-of-work. And for two reasons.

In the race between their purchasing power and growing needs, the purchasing power of even the best organized workers lags behind ever more. New necessities, comforts and luxuries are developing daily. In addition to the natural demand for these new necessities, hundreds of millions of dollars are spent on all forms of advertising—to develop in the masses a craving for these things. This is done so effectively that the needs of the workers grow much more rapidly than their increases in wages. Individual thrift, to provide against unemployment, as a result, is rather severely handicapped.

No less, if not more, important is the fact that unemployment undermines that very organized power of the workers on which alone they can depend for any increases in wages. Every union member knows from bitter personal experiences how the times of out-of-work sap the vitality of the organization, and undermine the union conditions and wage standards. In no unionized trade is this evil influence so strong as in the needle trades. Owing to the special technical makeup of these industries, the near-sweatshop cannot be entirely destroyed. In periods of unemployment, it multiplies like mushroms; while legitimate shops tend to disappear, carrying in their wake general chaos and uncertainty.

Striking At the Evil

This explains why the needle trades unions have been the first to tackle the problem of unemployment on a large scale. At the Convention of the International Ladies Garment Workers in May, 1920, resolutions were introduced demanding the establishment of a guaranteed average yearly minimum wage. The Resolutions Committee expressed itself in favor of such a reform, but referred the subject for further study to the General Executive Board. The Convention of the Amalgamated Clothing Workers held at the same time, adopted a definite declaration in favor of "the creation of a special fund for the payment of unemployment wages; no gift and no alms, but wages from the industry to the worker." "There is no reason," it went on, "why the industry, which pays a permanent tax to the various insurance companies in order to indemnify the employer in case of an emergency, should not likewise add a permanent fund for the indemnification for lack of work. The welfare of the workers in the industry should be entitled to at least as much consideration as the property of the employer." At the Convention of the United Cloth Hat and Cap Makers held in August, 1921, General Secretary Zuckerman submitted in his report that "in the past conventions we attempted to establish some system of support of our unemployed but under the conditions of piece and week work it could not be done. Now, since the entire cloth hat and cap industry is working under the system of week work, the establishment of an unemployment fund for this branch of the trade is out of the realms of imagination and can become a reality." The Convention referred

the subject to the incoming General Executive Board.

The necessity of unemployment insurance was thus early felt by all the needle trades unions. The practical working out, however, of any feasible and adequate system met with great difficulties. On the one hand, these unions felt "that the industry owes its workers a living throughout the entire year, and that if the industry is not in a position to supply its workers with continuous employment the workers are rightly entitled to receive unemployment benefit at the expense of the industry." Thus reads the resolution adopted by the 14th Convention of the United Cloth Hat and Cap Makers. The same resolution goes on to explain: "Under present social conditions the workers are deprived of the opportunity to manage and control the industry for the benefit of those who work in it and the consumer. The burden of unemployment, therefore, for which the workers are in no way responsible rightfully should not be borne by them." In other words, the unions of the needle trades felt that the employers must be made to recognize their responsibility to the workers, either in supplying them with continuous employment or unemployment insurance.

An Ideal Solution

The ideal solution from the point of view of these unions would have been to secure the enactment of a law under which every industry would have to establish an unemployment fund to take care of unemployed workers during periods of slack. The financial burden of this fund would be carried by the industry as part of the overhead expenses. The administration of such fund would rest in the hands of the organized workers of the respective industry. The resolution of the Cloth Hat & Cap Makers instructs the General Executive Board to co-operate with all Organized Labor in securing such legislation. The needle trades unions, however, could not be blind to the fact that there is hardly any prospect of securing such legislation in the immediate future. With the need of some system of unemployment insurance in their trades becoming ever more pressing, they were compelled to look for some more speedy solution of the problem.

Two possible solutions suggested themselves. An organization could either make its own provision against unemployment by establishing an unemployment fund of its own on some such lines as the sick benefit and mortuary funds maintained by many unions. Or, it could establish an unemployment fund by collective agreement with the employers as part and parcel of all other working conditions determined by the collective agreement. Both ways have their advantages and disadvantages. An unemployment fund of the unions themselves has the advantage that it leaves the fund entirely under the management of the workers. Keeping in mind that unemployment benefit is not intended merely for relief but also to stiffen the power of resistance of the workers—so that they may be the better able to maintain their gains during periods of unemployment—it is certainly desirable that the unemployment funds shall be entirely union-owned and governed. It is primarily for this reason that the General Executive Board of the International Ladies Garment Workers Union in its report to the Convention of 1922 expressed itself strongly in favor of an exclusively Union unemployment fund.

The disadvantage of such an unemployment fund—established directly by the Union exclusively out of contributions of the membership—is two-fold: First, under such an arrangement the Union evidently admits its willingness to relieve the employers from any responsibility towards the unemployed worker. In this question an important principle is involved. No labor organization could readily go on record as admitting that the employers should carry no responsibility for unemployment. Another disadvantage is that the membership can hardly be expected to make sufficiently large contributions towards an unemployment fund to enable the fund to pay a really substantial unemployment benefit during the periods of long unemployment.

Union Control

The United Cloth Hat & Cap Makers' Convention of May, 1923, tried to find a solution of this apparent impasse. The Convention decided that the Organization "must make an effort to establish an unemployment fund of its own and to have as far as possible the employers bear an adequate share of the financial burden of such a fund, but the administration of such a fund should in any case rest entirely with our Organization." Acting on this resolution, the General Executive Board of the United Cloth Hat and Cap Makers worked out a detailed plan for the establishment of such an unemployment fund, entirely under the management of the Union. The cost should be covered, however, half and half by the employers and the workers.

The plan is to be effective upon the expiration of the present trade agreements in the various centers of our trade, most of which expire on or about July 1, 1924. All the Locals are then to include in their demands to the employers a demand for a special 1½ per cent increase in wages, this 1½ per cent to go entirely to the unemployment fund. The members of such locals as will secure this demand will also pay 1½ per cent of their wages to the unemployment fund. Under this arrangement the employers are made to recognize their responsibility to the workers with regard to unemployment. **But their contribution of 1½ per cent of their payroll is treated not as a contribution but as a special increase in wages. The Union can, therefore, justly claim that the administration of the fund shall rest entirely in its own hands.**

In St. Paul

The detailed plan is now being submitted to a referendum vote of the membership. Meanwhile its main principles have already been carried out in one of the centers of the trade, St. Paul. Under an agreement just signed between Local No. 10 of the United Cloth Hat and Cap Makers with the two biggest firms of St. Paul (Gordon & Ferguson, and McKibben, Driscoll & Dorsey), the workers are guaranteed either 48 weeks of employment or an unemployment benefit based on 1 per cent of the payroll. This 1% is to be forfeited by the firm for every week less than 48 during which the workers have been employed. In no case, however, could this unemployment benefit be more than 5 per cent of the annual payroll. The firms are depositing with the Union every week 5 per cent of their total payroll. The Union is to return to the firm 1 per cent of the payroll for every week that they were employed more than 43 full weeks. If they were employed 48 full weeks or more, the Union is to return the entire 5 per cent. The management of the fund is entirely in the hands of the Union.

A somewhat similar arrangement, guranteeing either a definite number of weeks of employment during the year or a specified unemployment benefit, has been secured by the International Ladies Garment Workers in Cleveland. There is this important difference, however, that the unemployment fund there is under the joint administration of the Union and the employers, the impartial machinery of the collective agreement serving as the umpire. Similar joint management of the unemployment fund is provided for by the collective agreement between the Amalgamated Clothing Workers of America and the employers of Chicago. In this case the contributions come from both the workers and the employers. The unemployment fund of the Amalgamated in Chicago has this further advantage, that the actual registration and certification of the unemployed lies with the Labor Bureau of that Union. The Unemployment Fund of the Amalgamated Clothing Workers of Chicago was the first insurance plan established in the needle trades. It is the only comprehensive plan at present in operation for a large number of needle trade workers, covering over 30,000.

The International Ladies Garment Workers have now under consideration the establishment of a system of unemployment insurance in all the centers of their industry. The last quarterly meeting of the General Executive Board decided to make this one of the foremost demands to be submitted to the manufacturers at the negotiations which are to start soon for the renewal of the trade agreements. The International Ladies Garment Workers originally strongly objected to any suggestion of establishing an unemployment fund in any co-partnership with the employers. To a degree, they have now changed their attitude and are more favorably inclined towards some such arrangement.

In a Nutshell

To sum up. All the Unions of the needle trades are definitely committed to the principle that the burden of unemployment for which the workers are in no way responsible must be borne by the industry. The management of any unemployment fund, at the same time, must rest with the workers. The needle trades organizations are anxious to co-operate with the Labor Movement to secure adequate legislation to that effect. In the meantime all these organizations are undertaking to establish some unemployment funds in their own industries by collective agreement with their employers. And as far as possible, these organizations prefer that the management of such unemployment funds shall rest entirely with the Union. They insist, however, that the employer bear an adequate share of the expenses involved.

This movement is gaining strength among all branches of the needle trades workers and even the employers are becoming reconciled to such an arrangement in the industry. There can be little doubt that some system or other of unemployment insurance will soon be prevailing throughout the needle trades.

"Operative 03"

Expose of Jim Cronin - Politician, "Union Leader", Labor Spy

By LOUIS F. BUDENZ

"GUILTY!"

When this verdict was pronounced last month by the trial Committee of the International Molders Union, in the case of "Jim" Cronin, it placed definitely in Labor's "Rogues Gallery" one of the most dangerous and brazen of labor spies.

"Jim Cronin" is 35 years old. Since boyhood almost, he has been active in the Molders' Union. A follower of the notorious Frank Feeney—whom President Maurer routed from power in Pennsylvania and Philadelphia—he was selected at the early age of 24, as President of the Philadelphia Central Labor Union. He quickly gained the confidence of the ruling Republican politicians of the State and was chosen a member of the Pennsylvania Industrial Commission. Up until May 15th of this year, he was chairman of that body.

He also enjoyed the confidence of the international officers of the union and of his own local. He was president of the latter body—Local Union 15 of Philadelphia, and was delegated to represent the international office on many commissions of great delicacy and importance. To the astonishment of them all, indisputable evidence brought out at his trial showed that for some time he had been in the employ, not only of the state and his own union, but also of the employers themselves—as a spy. On the payroll of the detective agency hiring him, he was known as "Operative 03."

An accident—as is so often the case—led finally to his exposure. In Evansville, Ind. last August, Vice-President O'Keefe of the Molders, was handed a copy of the **Chicago Herald and Examiner,** containing an interesting item. It told of an investigation by the District Attorney's office into the activities of the "Bureau of Industrial Relations," run by a certain "Niles Oran Shively."

The investigation resulted from a charge by Shively's former associate in business, John W. Sterne, that funds of the Bureau had been misappropriated by Shively. Among other things, Sterne disclosed that the purpose of the Bureau was to crush Organized Labor, reduce wages in large industrial plants and increase working hours. They succeeded in doing this, he was reported as having said, through "undercover men"—who were largely union officials.

The Tell-Tale Clipping

"He said that numerous labor leaders in the employ of Shively," so the item read, "worked various schemes, which he described in detail, to break down the morale of workers to a point where longers hours of employment and lower wages could be forced on them. The material turned over showed how a man high in the ranks of Philadelphia labor was paid $200 weekly by Shively's organization."

It was the last sentence which arrested O'Keefe's attention. Though he was skeptical about the whole affair, he told the local business agent—who had showed him the item—that the local officers in Philadelphia should be advised of this serious charge. Accordingly, the clipping was forwarded to Local 15—and for the time being, O'Keefe forgot all about the whole matter.

But he was soon to be reminded of it. Some months later, in October, he received a letter from J. W. Lewis, secretary of Local 15, asking O'Keefe if it was he who had sent the clipping. So little had the Vice-President thought of the whole matter, that he had not even put his name or return address on the envelope in which the clipping had been sent. Only by guessing which international official had been in Evansville on the August date, could Lewis tell from whom it might have come.

Lewis declared that the clipping confirmed suspicions he had had for some time, based on "cold facts," and that he thought the international union should make a thorough investigation of the Quaker City situation. But O'Keefe was loathe to do this. He wrote Lewis that the clipping had been mailed merely on "a passing thought," and that he did not think the matter "of sufficient importance" to warrant further thought or action.

Lewis—a plain but honest man, who had worked with Cronin in the union for 17 years—was now aroused. He wrote to Chairman W. T. Probert, of the Executive Board of the International Union, telling him that "I remembered the time when $200

per week was being received by someone high in labor circles here in Philadelphia," and demanding an investigation. But Probert took but little stock in the accusations—particularly when Lewis implicated Cronin as the guilty man. Cronin was too well and favorably thought of in the union to be suspected of such treachery. It was only when O'Keefe himself ran into Cronin's name in files "taken from a detective agency in New York City"—through the aid of Organizer Hugh Frayne —that he at last agreed that some mischief was probably afoot. He presented the matter to the Executive Board, through President Valentine, and an investigation was begun.

"The Passementerie Workers"

The detective agency was none other than the "Bureau of Industrial Relations" itself, and the folder obtained from its files was marked "Cronin." It contained letters and telegrams, initialled by their senders, which were found to be correspondence between "Jim" Cronin and the members of the detective agency. This discovery was not made until another step had been taken, which showed how wide-spread were the activities of the chairman of Pennsylvania's Industrial Commission against the organized workers.

Among the data in the folder was a report to the "Bureau" by an operative signed "J. C.", giving information on the "Passementerie Workers," a branch of the textile workers. In this report, "J. C." had stated the number organized, their nationality and the name of their chief officer. This data Vice-President O'Keefe called to the attention of President Thomas F. McMahon of the United Textile Workers.

"Do you know who J. C. is?" asked McMahon. "I certainly don't," answered O'Keefe. "Well," said McMahon, "I regret to have to tell you that it is Jim Cronin of Philadelphia." "My God," exclaimed the Molder, "that can't be true. Why is it that you reached that conclusion so quickly?" Then McMahon told him to go to the national headquarters of the United Textile Workers; there he could learn the full story through Mrs. Sarah Conboy, Secretary of the Union.

To the international office of the U. T. W., accordingly, went Vice-President O'Keefe, taking with him Business Agent Jerome B. Keating of New York City. An amazing view of the workings of the undercover system was revealed to them. No industry, perhaps, is plagued with labor spies more than the poorly organized textile industry. To detect these spies in their own ranks, the officers of the union had determined to fight the devil with fire. They employed one Joseph Thomas, formerly with the Sherman Service and the "Bureau of Industrial Relations," to spot stool pigeons in the local unions. Thomas, be it known, had abandoned the "Bureau" sometime before in a bookbinders' strike, because he refused to inform on women and girls. At least, so his story runs. He had exposed the methods of the employers in the Baltimore printers' strike, his story being printed in a million copies and distributed by the local typographical union.

Harold P. Hayward, Labor Spy

It was to Thomas that Mrs. Conboy introduced O'Keefe and Keating in her office. Yes, he knew Cronin—had paid him each week for some weeks $100 as "Operative 03," at the Hotel Lorain in Philadelphia, for the "Bureau of Industrial Relations." Mrs. Conboy knew that it was Cronin, and he alone, who could have had the information about the "passementerie workers" contained in the "Bureau's" files. He had secured such information from her in confidence, she imagining that he was getting it in his official capacity for the state of Pennsylvania. Thomas connected Cronin up with the Bureau, showing his activities in textiles, in the moving picture dispute in New York, etc. He also stated that Cronin had given Harold P. Hayward of the "Bureau" a letter of introduction to George Hayes of the Textile Workers in Paterson, N. J.—which statement was confirmed by Hayes himself.

Now, through the whole thread of the Cronin story runs the name of this "Harold P. Hayward." It is with him that Cronin carried on most of his correspondence. They call each other by their first names—and at Christmas Cronin sent Hayward a card, to him "and his family." They were also planning the formation of a labor spying agency of their own, Cronin to be a "silent partner," or rather, an "undercover partner." The contract between them—or a copy of it—was secured by the Executive Board of the Molders, and formed part of the evidence against Cronin.

But that was not all. The Executive Board realized that Cronin should not be held guilty, merely on the testimony of a man like Thomas, who had stated that he had been a spy against unions himself. In addition to this contract be-

tween Cronin and Hayward and the numerous telegrams between Cronin and various members of the "Bureau," they also discovered from the hotel records that "James C. Cronin, Harrisburg, Pa." had stopped at the hotels to which the wires had been sent, on the dates which the telegrams bore. From Dr. Royal Meeker, Commissioner of Labor and Industry of Pennsylvania, they also learned that Cronin had never been sent out of the state by that department during Meeker's term of office. This information—contained in a wire from President James H. Maurer of the Pennsylvania Federation of Labor—destroyed Cronin's alibi that his visits to New York were on the business of the state.

Moreover, the thing that had aroused the suspicions of J. W. Lewis, who handled the office of Local 15 during Cronin's numerous absences from the city, was the fact that for quite a time Cronin had received notices to collect $200 each week at the Western Union or Postal Telegraph Company. This money, Cronin had Lewis deposit in the bank to Cronin's credit—money which Cronin could not account for to the trial committee. Cronin even failed to come before the Board at their request, to explain his conduct, but later on appeared before the trial committee, appointed by the convention. This committee was composed of 16 men, chosen from all over the country. Their unanimous verdict convicted Cronin and expelled him from the union.

The Spies at Work

Out of the trial came a number of interesting side-lights on how these detective agencies operate. The "Bureau's" activities in Paterson were based on a contract with the "Paterson Welfare Association," the name of the employers' association. For $50,000 the "Bureau" agreed to break the power of unionism in the broad silks, ribbon, flax and jute grades of the Jersey town. The contract contained clauses providing for "increasing working hours, decreasing wages, speeding up production, creation of the open shop and later the non-union shop."

The "Bureau" guaranteed to take over absolute control of the "local advisory committee" of the United Textile Workers and also a similar committee of the Associated Silk Workers—the "outlaw" union there. They contracted to set up a new leadership among each one of the foreign nationality groups, and to block the efforts of the international officers of the U. T. W., so that they would not be able to function in Paterson. Further, they agreed to increase the working hours from 44 to 48 hours through the consent of the men themselves, and within 3 months to make this increase of hours run up to 50 per week.

The "Welfare Association" paid them $21,000 of the $50,000 contracted for, including $1,000 for a "survey" by Shively. Finding that the "Bureau" was not accomplishing the results called for in its agreement, the employers refused to pay any more; but decided not to sue for the amount already paid, for fear the men would learn of what they were doing. Thus were these employer-criminals caught in their own net.

It was also brought out that "Harold P. Hayward"—friend and associate of Cronin's—had appeared before the Gray Iron Club, the foundry employers' association of New York City, and guaranteed to get the union to consent to a reduction in wages and longer hours. He boasted at this meeting that he would do this through the aid of officers of the union—"higher up" than the local union officials or business agents. This was in 1921. When Business Agent Keating heard of this, at that time, he advised the Gray Iron Club that he knew of the Hayward boast, but that the men would fight for their demands to the last drop of the hat. That ended the "Bureau's" hopes for a contract there.

In Manchester, N. H., during the last big textile strike, a number of men active in union circles were on the payroll of the Amoskeag mill, Thomas disclosed. One O'Brien, a former plumber, was active as a go-between the mill and certain members of the striking textile workers. A state senator, Kenney by name, also was implicated as having "served" in the same capacity. The numerous unions in the textile field—now happily working toward unity—have made the work of the spy and labor-breaker even a more fertile and easier task than elsewhere. But they are also busy in other places—in Perth Amboy, for example, where De Prado, secretary of the Central Labor Union had been on the payroll of a Philadelphia agency prior to branching out in business himself. According to Thomas, this De Prado had told him as far back as 1916 that Cronin was employed by the same strike-breaking company.

"In what positions do you find these spies?" Thomas was asked. "Occupying a radical position (in the union) or do you find them advocating conservatism and sane policies, or do you find them occupying positions of trust with the local Union?"

To which Thomas replied: "Well, you will find them in various ways. In some cases they hold positions of trust in their local Union, and some even go so far as to hold positions of trust in their international organizations. In some cases they would go along sane, conservative lines, and in other cases might be radicals. It all depends on the instructions they have from the employer."

"ROPING IN" THE EMPLOYER

TO the right appears a reproduction of an ad in a recent issue of the "The York Times." It is the ad of the Sherman Service, Inc.—out of which agency sprang the "Bureau of Industrial Relations," brought to light in the Cronin exposé.

You can note the glowing language in which the "spirit of co-operation in the whole body of the employees" is dwelt upon—to entice the unsuspecting employer into a long and expensive war on Labor.

The Sherman Service was an active strike breaking agency during the shopmen's strike. The enormous cost of that strike to the railroads is now classic. Not the least of these items was the good money of the public which went to the gunmen and underworld denisons, recruited for "scabbing." Much of this loot went to the Sherman Service—which only aided to further demoralize and break down railroad service!

It is amusing to learn how the silk manufacturers of Paterson were trimmed by the "Bureau of Industrial Relations," mentioned in this article. The manufacturers, in their greed to crush the workers, paid the Bureau $21,000 in hard cash, when they discovered that it was making no headway on its program. But the manufacturers did not dare to recover any of the money in a legal action, for fear their workers would learn the tactics they were using. There is something more than half truthful in that old saying "It takes a thief to catch a thief." Also, in the revision: "It takes a thief to trim a thief."

TIME *and a-half!*

"The Viewpoint of the Employee is the Most Neglected Asset in Industry."

TO-NIGHT there is a glow from the windows of your plant. Tired men are at work after regular hours. Profits are being consumed by a heavy overtime payroll. Why?

Perhaps production has failed to keep pace with normal demands, and deliveries on important contracts have been lagging dangerously.

Now you are forced to pay out money at an accelerated rate while receiving a diminished return.

In these days of keen competition, the only safeguard for prosperity is a spirit of co-operation in the whole body of your employees—a spirit that keeps your normal output moving forward smoothly without the necessity for overtime

This protection we can promise to any industry—with great profit to both employer and employees.

Executives, everywhere, have evidenced unusual interest in our booklet, "Stopping Payroll Losses." We will be glad to send any executive a copy, gratis. Simply write us on your business stationery. Please address Dept. L 10.

SHERMAN SERVICE, INCORPORATED
INDUSTRIAL CO-ORDINATION PRODUCTION ENGINEERING
2 Rector Street, New York City

BOSTON CLEVELAND CHICAGO DETROIT MONTREAL PHILADELPHIA ST. LOUIS TORONTO

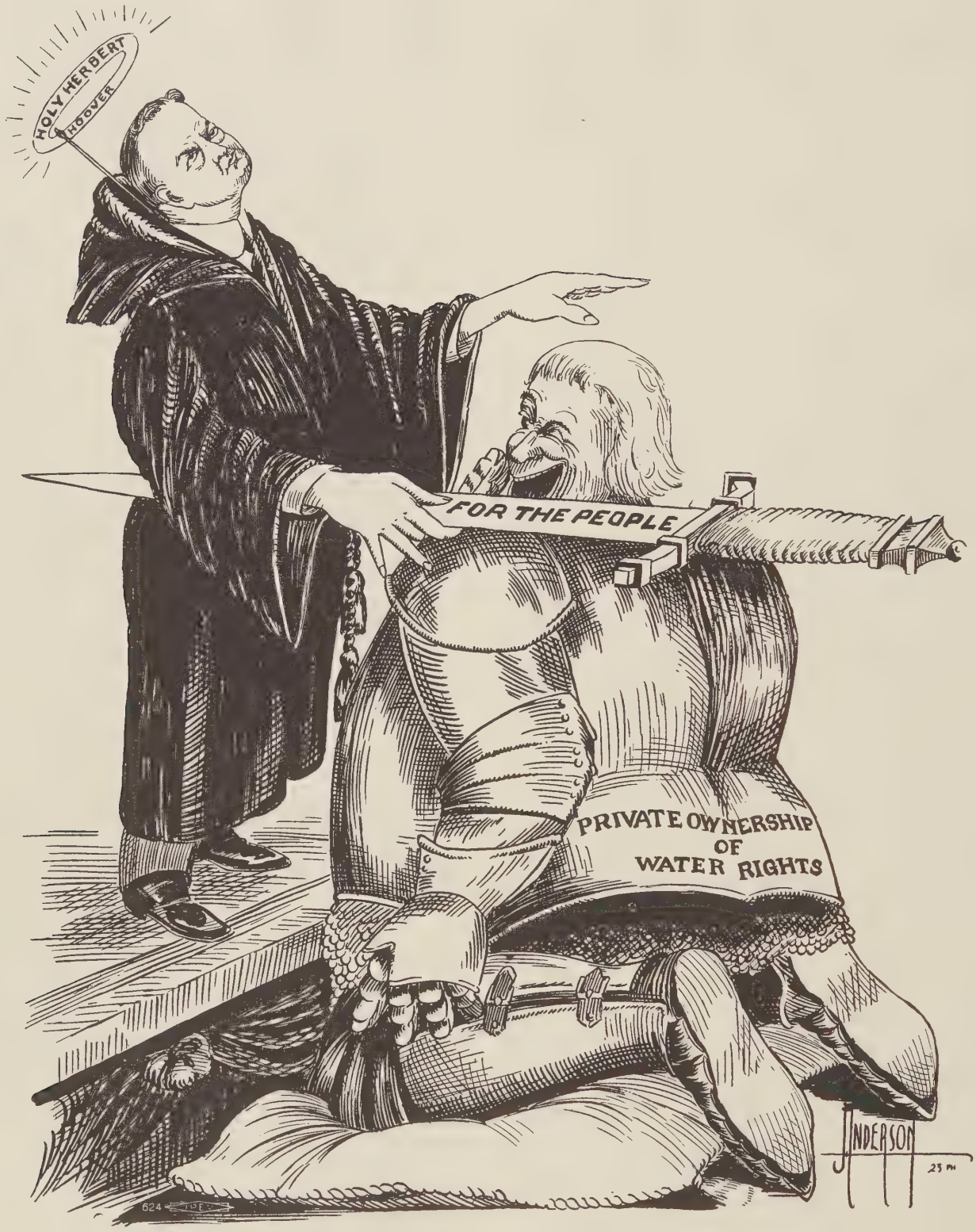
Largest organization of its kind in the world 624

"The U. S. Strike-Breaking Agency"

The United States Department of Justice was shown up as quite a "feeder" of spies and strike-breakers to the private field. Mr. Max Sherwood, for example, who has his own agency in New York —for which Hayward now works—was formerly a Department of Justice operative. So was Dennett of Paterson, an employe of the "Bureau of Industrial Relations." In his testimony, Thomas quite aptly terms the U. S. Department of Justice "the United States strike-breaking agency."

The International Molders Union has done a great service to the whole Labor Movement in courageously facing the facts, and purging its ranks of "the enemy within"—even though he was an important member of the organization. From the facts brought out in this case, other unions will be advised of how to proceed against their own unfaithful members and labor spies within their ranks. The disclosures have lifted the veil in a most impressive manner on the workings of the "undercover crew" in this country.

How men who have risen from the workers' ranks and know the sufferings of the workers' families can betray them so vilely is beyond comprehension. And yet, the lure of the fast life affects some men—and some are low enough to fall for it. They gain the "world," but lose their own souls.



Drawn by J. F. Anderson for LABOR AGE

"Blessings on thee, Little Man;

"Take Niagara, if you can."

The Far-Flung Firing Line

"Where Do We Go From Here?" in 1924

From the Labor and Employer Press

THE EMPLOYERS, TOO

THIS labor-press-digest feature of LABOR AGE has met with an excellent reception in the labor press itself. Taken up first by the organs of the needle trades—JUSTICE and ADVANCE—it is now used by a number of other publications. Wishing to broaden constantly the facts at Labor's disposal, we are beginning with this issue to review gradually more and more, the press of Labor's Enemies—the Employers. That will mean that our readers will get, not only what different groups of the Labor Movement are doing and thinking, but also what the enemies of the Movement are up to, and how the world looks through their glasses.

"ALL'S WELL!"

So sing out the sentinels of Capitalism as 1924 approaches. A learned professor writes in one of our current sociological journals that Revolution is not around the corner in America. "The psychological factors" which make for Revlution are not present. Reactionary America can rest easy on its oars, says he. The people are not yet in such a condition of dire want as to make them likely to hastly action against Things as They Be!

System, "the magazine of Business," finds things going nicely with anti-union employers like Cyrus H. K. Curtis of the **Saturday Evening Post** and **Philadelphia Ledger,** and John H. Patterson of the National Cash Register Company. Both of these men know the value of advertising, and advertising is still the decisive thing. Our era, as Thorstein Veblen points out in his latest book, **"Absentee Ownership,"** is an era of Salesmanship and not of Workmanship. The joy in work which was evident in the 13th Century is not here and now. Why should it be? The worker has no control—over his job or his tools. He is a cog in a huge Machine, from which only "Industrial Democracy" through union action can rescue him.

What steps toward "Industrial Democracy" is Labor planning to take, or likely to take, in the coming year? An inventory of the Movement, through the current labor press, gives a good idea of the "condition of Labor's advance" in this land of Freedom.

But before we look into that, let us take one more glance at the fellows across the No Man's Land of conflict. **Iron Age,** organ of the iron and steel trade, discovers all things going well in that industry—but is a bit afraid of the future. **Coal Age** is torn between love and hate for the United States Coal Commission. The facts disclosed about "watered stock" do not please the palates of the Coal Barons.

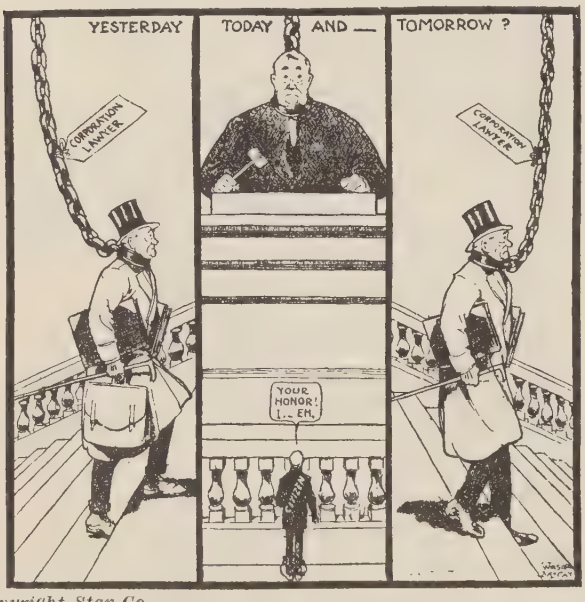
The **Weekly Review** of the R. G. Dun Co.—"authorities" on business conditions—is not full of overflowing optimism about the new year. It rather indicates that our present "prosperity" may be nearing an end—at least in certain trades. Business failures are still going on at a pretty good rate. All of which means for Organized Labor that it is likely to face the shock of another Open Shop Campaign, or something like it. So thinks **St. Louis Labor,** organ of the St. Louis central body, at least. "As soon as less favorable industrial and commercial conditions set in, as they will sooner or later, the open-shop crowd will once more come to the front and attempt to give Organized Labor a black eye." The Business Interests do not propose to bear the burden of any forthcoming depression.

But labor is taking steps to make itself stronger for this and other coming struggles. It is continuing on every hand the effort to become more self-sufficient. There is labor banking as an example, by which the unions mean to control their own credit. The formation of the new labor bank at Jackson, Mich., by the Railroad Brotherhoods gives the **Detroit Labor News** occasion to comment on the rapid growth of that form of union endeavor. The organ of the Detroit Federation of Labor also announces that the board of directors of that body has had this question under consideration for some time, with a view to

starting a bank in Michigan's metropolis. "It is estimated," says the paper, "that labor banks will control resources of nearly one hundred million dollars before the close of 1924." And it continues:

"No intelligent labor man will contend that starting labor banks will solve labor's problems. Nor can it be denied that this step has its dangers. However, if properly understood and directed, it can be a source of strength to the labor movement."

Out in Los Angeles, the **Citizen,** "Labor's official paper," announces the establishment of the People's Bank and Trust Co. This institution has been begun by Dr. McCaleb, formerly of the Locomotive Engineers' Co-operative Bank and of the



Copyright Star Co.

"OUR" JUDGES

As seen by the N. Y. American

Federation Trust Co. of New York City. The Central Labor Council is interested in the bank, having at least one trustee on its board. The labor paper states that the reception of the bank in the union ranks has been "enthusiastic." In Indianapolis and Pittsburgh—other centers of the anti-union drive—labor banks now confront the anti-union forces. At the same time, **Advance,** organ of the Amalgamated Clothing Workers, announces that during its first six months, the resources of the Amalgamated Bank in New York increased from $747,000 to $2,514,000. Which sounds good, indeed.

Labor banking is only part of the wider co-operative movement. The Brotherhood of Locomotive Engineers have added co-operative housing to their other co-operative undertakings. (And incidentally, they have not forgotten the wider cultural good of their members, for their journal has conducted a tour of the Brotherhood's member through Europe this summer.) In an interview in the **Illinois Miner,** John H. Walker tells of the progress of the Illinois Cooperative Movement toward a real Rochdale plan basis. He lauds the influence and development of the Central States Wholesale Society, which has just weathered a severe storm, and points in particular to the progress made by the retail societies in Bloomington, Farmington, Benld, Taylor Springs, Waukegan, Staunton, Mt. Olive, Schram City, Tovey, Canton, Riverton and Villa Nova. The Franklin Cooperative Creamery of Minneapolis, through its bulletin, announces the extension of its activities to the bakery and restaurant business.

Favorable discussion of independent political action is also increasing. Much more will likely be heard of it in 1924. The **Minnesota Union Advocate** reports the conference which took place in St. Paul on November 15 between the different elements standing for a National Farmer-Labor Party. The gathering was called by the Minnesota Farmer-Labor group, and elements of all sorts were present. Out of the gathering came the decision that the Minnesota group should call a national convention for May 30th of next year, at either St. Paul or Minneapolis, to put a third party in the field. The decision is approved by both the **New Majority,** organ of the old Farmer-Labor Party, and the **Worker,** organ of the Communists and therefore of the Federated Farmer-Labor Party. (Incidentally, the former paper gives the impression that Magnus Johnson made a much better "hit" with the Chicago people than with the New Yorkers who rallied to hear him some time ago.) The Canadian Trades Congress also, in its recent meeting at Vancouver, declared for the Canadian Labor Party.

The question of Independent vs. Nonpartisan Political Action is "now a subject of immediate practical importance," according to the organ of the Minnesota Farmer-Labor group. It can speak with some authority, as its forces have won two seats in the Senate—with the backing of the Conference on Progressive Political Action and of the A. F. of L. Its conclusion, from the Minnesota experience, is that "an independent political party of the producers has the effect of knitting the forces for reform into a compact mass with a clearly defined and practical program around which the movement can constantly grow. It in-

sures against diversion and disruption by internal or external foes."

But the **Cleveland Citizen,** while agreeing with this (for its editor, Max Hayes, is a veteran champion of independent political action), still affirms that another movement can more readily rally the workers of all shades of opinion together —the cooperative movement. Thus says the Cleveland paper:

"Whether we happen to be Republicans, Democrats, Socialists, Farmer-Laborites or Communists, whether Protestants, Catholics or Jews, whether black or white, whether Americans or foreigners, the principles of cooperation which are now engrossing the attention of increasing numbers of workers in every civilized country on earth have an appeal for us that cannot be ignored or rejected, once they become fairly understood."

It is cooperation which has "preserved a semblance of social organism" in Europe, and "prevented complete collapse." And, "what economic regeneration comes to Europe, it will be the cooperative organizations which bring it." In confirmation of this view, the paper quotes. Huston Thompson, a member of the Federal Trade Commission, who has just returned from Europe. As a result of his studies all over the continent, Mr. Thompson plans to recommend the wide development of cooperatives, to the Trade Commission and to Congress.

Another interesting bit of news is the further attempt at a union-owned factory, launched this time by the International Ladies Garment Workers (and reported under "Labor History" in this issue). Speaking of it, **Justice,** organ of the I. L. G. W. U., says:

"The readers will recall one of the resolutions adopted amid great enthusiasm at the Chicago Convention in 1920 for the opening of union-owned and union-operated factories. These factories were meant to be examples of labor conditions and superior workmanship. The same resolution was re-adopted at the Cleveland Convention of 1921, but no attempt by the International has been made to materialize the plan. Now glad tidings are reaching us from Chicago that the executive boards of all the locals, together with the Joint Board, have taken up the plan and are beginning to carry it into effect. Four years ago we believed, and we believe it today, that it is a splendid plan and can be carried out."

The difficulties confronting union-owned factories are by no means small. But the possibilities of workers' freedom, through union-owned factories, aro also no less far-reaching. The Chicago step will be followed with interest by all union men, who believe that groups can finally run industry as successfully as private initiative can.

Oklahoma Leader

DRIVING OFF THE BILL POSTERS

What the Northwest Farmers Did in 1923

Thus does Labor plan its constructive job for the coming twelve months. Only a few of the items can be set down here. In the background there still runs on the important task of organizing the steel workers, now going on, and the gigantic effort to conquer the "rapidly developing bituminous monopoly"—as **La Follette's Monthly** indicates—the already full-grown anthracite monopoly, and the railroad combine. The propaganda mill of the rail owners, says **Labor,** organ of the rail unions, is now working overtime. They want further help from the coming Congress. But the unions want cooperative ownership. The issue will be sharply drawn this coming year.

Little is heard of steel in the daily press since the flourish about the coming of the 8-hour day. How real the 8-hour day is, can be seen from the following telegram from Secretary William Hannon of the Steel Workers, just received by **Labor Age:**

"About 35 per cent of the steel workers are on the 8-hour basis. Five per cent are on 10 hours. Balance on 12 hours. There has been an increase in the hourly wage rate but a reduction in the daily rate."

More anon, brothers. The battle in 1924 will be a merry one!

Clothing Russia

Russian Men Plus American Dollars

By ROBERT W. DUNN

AMONG recent ventures of American unions into the field of business enterprise, the Russian American Industrial Corporation has attracted considerable attention. It is conducted by the Amalgamated Clothing Workers, in conjunction with Russian workers, and has just paid its first dividend. Mr. Dunn is well equipped to tell its story, as he has just returned from several years in Russia as a relief worker.

ONE noon-hour last April 1 I sat in the office of the factory committee of a large Moscow clothing factory. I was talking to Novak, the chairman of the committee. We were interrupted by a flow of workers coming on all sorts of business.

Here came a girl who needed a "propusk" to present to the factory "ambulatoria" where she would go for treatment of a sore arm. Another who had just come on the job in the hat department came to get her dues book stamped. Another, a young Jewish worker, stepped in to report on the lack of firewood in one of the communal apartments owned by the factory. She received an order entitling her to draw on the factory supply. Another to get a note to the "commandant" of a house to permit him to move in. Another to get free tramcar tickets furnished by the committee. A dozen other needs. A dozen more questions answered.

I was witnessing the activities of the "union on the place," the factory committee, the unit of lowest denomination in the trade union structure —the committee that watches and checks on the activities of the boss, be he private, state industry, or cooperative. The committee of seven that represents and defends the workers **as workers** irrespective of their party, religion, age or sex.

The chairman told me of the sub-division of the committee into sub-committees, one for the protection of labor, specializing on sanitary inspection and the like; another called the price committee that works chiefly on tariff and wage rates and negotiates the collective agreements with the administration of the factory or trust; still another named the general organization committee; and finally, the Culture Committee. I asked to see the latter and was directed to another room, still busier than the headquarters of the central committee, the walls covered with charts, the tables surrounded with workers reading journals, and the desk of the Chairman surrounded with persons getting instructions or asking questions, or reporting on their "Kult" work.

The Work of the "Culturists"

"What do you do here?" I asked.

One of the Culture Committee happened to have a moment to spare as he sipped a glass of tea at his desk. He left the tea and led me to a gorgeous multi-colored chart on the wall. He read it for me, explaining each item at unnecessary length (but how should he know it was not my first glimpse of the educational activities of the Russian workers?). First came the Art and Sport Section, including dramatics, excursions to other factories and the villages, physical sports and choral singing! Then the Propaganda Section, including lectures, Marx circles, "political literacy" and the training of speakers and debaters. Then the School Section, including the preparation of workers who go from the factories to the well-known Workers' Faculties to qualify for factory management and higher administrative positions. Under this head comes also the Liquidation of Illiteracy work, illustrated there before my very eyes by a black board on the wall bearing some chalked Russian hieroglyphyics and a woman worker standing in front of it painfully copying them with a crayon. She stopped to tell me how she had never known a letter of the alphabet when she lived in the village and toiled in the home-work clothing trades that existed before the revolution. But now "look what I can do," and she spelled out her name for me on the board and beamed with delight.

But the Committeeman had called me back to the business of following the chart. The final circle showed the library section with a sub-title —"collective reading," which is really a group of

serious proletarian students who spend the evening together reading and then discussing political and economic texts. Also, under this head, the circulating library, the stationary library in the factory club, and the periodical section, which edits a factory magazine of its own and subscribes to the dozens of other quite excellently edited journals that are now turned out by the new "workers-correspondents" in the Russian workshops.

By the time I had finished with the Culture Committee it was time for my own tea, which I took in the factory dining room operated by the factory cooperative and feeding 500 daily. After which I went up to look at the work rooms of the factory.

I dropped in frequently at this place and learned to know many of the workers and to see how they spent their lives during the eight hours of work and the remaining hours of the day. And I learned that the factory was regarded both as a place for the making of garments, and also for the creation of happy, intelligent workers. They would often stay on in the factory to concerts, plays and classes, until, as the janitor once told me, he had to "drive them out" at 11 or 12 at night.

America's Lift to Russian Production

Some of these clothing workers are those who went to Russia to help "Americanize" the Russian factories, at the same time to find in the factories a life more free and stimulating and full of possibilities than they had known in Boston, Baltimore and Buffalo.

Once I had learned to know this life of the Russian clothing worker I saw what a magnificent thing it was that Americans who could not go to Russia in person, had done when they transferred some of their savings, in the form on an investment, to the Russian Clothing Syndicate. The richer life that the Russian workers, after long years of struggle and hardship, have enjoyed during the past few months is due in part to their own efforts, but also to the quickening effects of the capital that was put into these factories by the Russian-American Industrial Corporation, a labor corporation that raises most of its funds from among American laborers who want to help Russia recover industrially.

When I saw these factories at work and the trade unionists who managed them I was convinced they would be among the first to give a good account of themselves in the period of Russia's industrial revival. But I did not expect their achievement would be as significant as it has proved to be in the first months of operation since the American workers sent them capital through the corporation which is known among Americans as the "RAIC."

What RAIC Means to Russia

The All-Russian Clothing Syndicate into which the RAIC put its dollars, the Soviet government agreeing to guarantee every dollar invested as well as a minimum annual dividend of 8 per cent, has already achieved quite unexpected results. It has paid a dividend cheque to the American corporation at a rate of 10 instead of 8 per cent per annum. And from this half-yearly 5 per cent the RAIC has already announced its initial semi-annual dividend of 3 per cent to its stockholders.

The factories included in this very ably run Clothing Syndicate can manufacture anything from a lady's spring bonnet to a fur-lined overcoat, from knit underwear to heavy peasant's kaftans. Both the scope of the Syndicate and the scope of the trade union is thus industrial, one might almost say super-industrial. Ready-made clothes are done up in suitable styles while orders are booked also for tailored garments to cover the backs of the few but fast-living "Nepmen" and

TYPICAL NEW RUSSIAN CLOTHING FACTORY

bourgeois traders. However, fully 90 per cent of the civilian trade is made up of the cheaper grades of clothing which the peasants and workers need.

A Bit of Clothing History

In 1914 this Russian industry, which commands our admiration today, was a small shop, home-work affair with miserable conditions and meagre wages for the sweated workers. It was not until the war, and the large orders for military uniforms, that anything approximating modern factory production was introduced.

But the real centralization and modernization of the needle industry did not come until 1918 or the year after the revolution, when the workers under the leadership of such men as B. Bograchov, who learned the trade in Baltimore, began to give the industry a more and more American appearance with the introduction of specialization, piece-work production standards, but above all else the actual machines which made this possible, forwarded to Russia by the Amalgamated Clothing Workers of America, the same union that later launched the "RAIC." At that time all the clothing factories were drawn together under the Supreme Council of National Economy and were, by force of necessity and due to the counter-revolutionary attacks on a dozen fronts, devoted to the manufacture of military equipment.

With the end of the civil wars and the victories of the armies of the Workers Republic on all fronts, and with the introduction of the new economic policy, all the working capital began to be concentrated and local factories closed in districts where local conditions did not warrant large scale production. Last year in June, at the same time that the Russian-American Industrial Corporation was incorporated in America, the All-Russian Clothing Syndicate was organized, and by the end of the year had accumulated a working capital of two million gold roubles.

The Sweep of the Syndicate

Since then this Clothing Syndicate has made steady progress both in the number of its selling agencies and in the profits made from the sales, but also in the output and efficiency of the nearly thirty factories now operated. The monthly sales of the Syndicate's goods at the last reporting date amounted to one million. The capital of the Syndicate has grown in a little over a year from $1,000,000 to approximately $4,500,000.

In addition to the sales made through the regular stores of the Syndicate, a substantial market

WINTER HATS, "RAIC" MADE

was reached through the All-Russian Cooperative Society, for which the Syndicate has turned out large orders. In many places, such as Rostov-on-Don, the cooperative society acts as the sole selling agency for the Syndicate.

RAIC's First Dividend

Some of our half-hearted friends and our deliberately unfriendly "friends" have been whispering it about that the dividend the Russian American Industrial has received, and on the strength of which it has announced its first payment to stockholders, will be drawn out of the Soviet treasury. This is untrue. The "First Dividend out of Russia," as it is called, has been paid out of the legitimate earnings of the All-Russian Clothing Syndicate. This Syndicate can pay so generously because it has done a good year's business. It has used the money put into it by the American corporation to expand its operations and strengthen its productive machine.

As the Russian-American Industrial Corporation is now offering the remainder of its stock for sale, an opportunity is opened for those workers who have long believed in Russia as well as those whose faith has been only recently aroused, to translate their sympathy for Russian industrial rehabilitation into very practical support.

President Sidney Hillman, at the Convention of the Amalgamated Clothing Workers of America in 1922, put the challenge to the workers of his union when he said, "I hope that this Convention . . . will serve notice that economic help from this country to Russia can come through channels other than Wall Street and the banking combination." It so happens that the RAIC grew out of Hillman's visit to Russia, this speech, and the action of that Convention. It so happens also that no help has since been given to Russia by Wall Street or the American forces of privilege.

The Maker of the New Mexico

Impressions of President Obregon

By PRINCE HOPKINS

WE ACHIEVED our interview with Obregon on August 1. We had had some difficulty about it, as pressure of business kept him pretty closely confined to his routine undertakings. A friend of ours came along as interpreter, in case our Spanish failed us. Mexico's President himself speaks no English.

Never have I looked forward with more interest to any prospective interview than I did to this one. The man's captivating smile and fund of anecdote in conversation had won him friends wherever he toured in America, as well as among the people of his native land. It captivated even the American bankers, who went at his invitation to see for themselves the new prosperity which he has brought to his long tormented country.

"Could this President be, at the same time, genuinely the great liberator whom his people thought him to be?" Or, "Were his promises of approaching equal opportunity to all merely words?" "Were his still wider proclamations of the solidarity of mankind only such empty phrases as his predecessors had coined to fool and betray the masses?" These were the questions for which I went to find answers.

When we received the President's telegraphed invitation to see him in the national palace, the place of meeting conjured up pictures of luxury. Our entrance, however, seemed to be through a sort of back way. The halls through which we passed were certainly bereft of whatever splendor they possessed in the days of the unfortunate "Emperor" Maximillian, who, as I understand, built them. Only in the reception room itself, did we come upon what would have been called even moderate elegance. These outer rooms, moreover, were thronged with crowds of the very poorest people. We were informed that probably they were there to petition for grants of land.

We sat down by Obregon's door, in the reception room. We had to wait for a long time. The man who preceded us, and who kept us waiting so long, was introduced to us as we went in. He was, of all persons, the chairman of the opposition political party! Then I was introduced to another man who was waiting in the anteroom—a stockily built, rather young man with a not unprepossessing smooth-shaven face. He was an ex-brigand, now living off his pay as a retired army-general. He had come, I presume, to see the President about some political matter.

The Man

In time the door to the President's room swung open, and we were ushered in. An alert, stockily built man, pink-complexioned, intelligent and forceful, his right coat-sleeve hanging limp where a cannon-shot had carried away his right arm, extended his left hand in greeting. So soon as we had been introduced, he motioned us to comfortable seats in a corner of the room.

As a prelude to the interview, I asked to be introduced as a North American who, not long since, had been one of a committee to request President Harding to release our political prisoners still held in durance from the great war because they had exercised their constitutional right of free speech, and one who wished to see the President of our neighbor country, who had granted amnesty as a matter of course to his politicals.

Obregon acknowledged the compliment, and said that Mexico welcomed people of every shade of political opinion. The government encouraged them to the utmost freedom of discussion, as the means of arriving at truth and political progress.

Obregon then gave us a talk of five minutes or so on the policy of his administration, "to keep steadily along the road upon which they had set out." He continually emphasized that they had their eyes fixed upon one aim, and that nothing could swerve them from their course. (This, of course, has been the trait which marked Obregon's career from the beginning.) They had chosen their course with deliberation, and would not be induced to abandon it by the pressure of opponents either from within the country or outside of it.

Of course, I was somewhat predisposed toward the President from what I had heard of his policies, as well as of his character. My wife also had heard enough of his personality to be friendly, but on the other ground (of radical government policies) she could hardly be so partisan as I. It was interesting, therefore, to note that after the interview her comments were quite enthusiastic.

His Principles

At least he evinced a more sympathetic insight into human nature than is common among politicians. Usually they are content with a cynical knowledge of how to play upon its weaknesses. Human cruelty, he had declared—and his wars had given him experience enough to judge of this trait—could not be destroyed by mere legislation. Its roots lay deep, and were nourished by our civilization. Wars were the result of ignorance and of immoral principles by which the unity of the human family was destroyed.

As against the popular hatred of the United States, he contended that the evil lay, not in that nation, but in diseased humanity itself; and he felt the lack, in Mexico's own politics, of ideals. Nevertheless, he believes in the perfectability of the human race. He points out the drift, half unconscious, of all parts of humanity toward a common unity.

He seems, in fact, to have differed remarkably from most of the military leaders who have come forward to rescue Mexico from her prostration and chaos. Obregon, be it noted, was drawn from the quiet of his ranch at Huatabampo, not by personal ambition, but by a genuine sense that his country needed his service. And he differed, in that when he had pacified the country, he set about the task of abolishing privilege.

His way has been, not to batten upon, but rather to purge his country of the war spirit. "Education alone," he said, "can save humanity." Under his administration the Minister of Education, Vasconceles, has actively established schools which are far more in harmony with modern theories of training, than are the schools of most countries, which in experience have had a long lead over Mexico. To give proof of the sincerity of his belief that a country can be saved only by moral methods, he has refused to buy out his opponents or to subsidize the newspapers. I often read in many of the latter, most violent attacks upon his administration, the "inspiration" of which attacks was not generally hard to guess.

The Chief Complaint

Perhaps the chief complaint which we heard against Obregon's regime was that he had failed to rid the government of some officials who had come into power through services they had rendered in more violent days. Good soldiers are not always good administrators. But we must not forget that in civil (as in other) war, success must be bought by drafts on the future; and, besides, the critics of Obregon disagree among themselves, according to their party affiliations, as to which are the officials who should be dropped overboard!

The impression which we both carried away from our interview with Obregon was certainly of the best. Courage and self-control were marked in the lines of his face, and we instinctly felt that here was a man as straight "as they make them." His address was animated and full of color—like his whole frame, which is the very embodiment of energy under control. "We see the objective toward which we are working," he said, "and neither our opponents from within, nor those from without, will make us deviate from the direct path." It is no wonder that this man is recognized by all parties as the dominating personality in Mexico, and that he is as able a president as he was a general.

The Simple Life

Many men, when they have achieved the goal of personal ambitions, allow themselves to be claimed by materialistic pleasures. But Obregon lives almost as simply, now that he has a palace at his disposal, should be desire it, as he did when his lot was the rough one of a campaigning soldier. He breakfasts lightly, thinks little of table luxuries, and drinks water and milk—seldom wine. The exactions of his work and the inevitable examples of self-seeking and of human weakness which disappoint him, are unable to ruffle the suavity with which he handles delicate details. One good legacy of his days on the battlefield is said to be, as it was said of Napoleon, that he can force himself to sleep at any hour of the day. He holds himself well in hand, not vacillating in policy, and not seeking popularity.

Obregon rises early, to put in a full day of toil. But in this way, as did our Roosevelt, he makes time for recreation as well as for labor. He rides, hunts and plays tennis. In fact, if there is a phase of culture which he inclines to neglect, today, it is said to be the academically intellectual rather than the physical—though in younger days his reading was huge. Since his election, the president's education has gone forward in the school of political experience—by which, fortunately, he has been taught that in all deep-going reforms he must look for support to the working class.

Such is the man who is now president of our sister republic. She may well be proud of him, regretful that he cannot accept another term of office, and glad that his successor is to be Calles, Obregon's friend and supporter.

Labor History in the Making

In the U. S. A.

Louis F. Budenz, in Cooperation with the Board of Editors

CHICAGO'S GARMENT WORKERS GIVE SOLOMON A JOLT

"SOLOMON was not only an ass—witness his three hundred concubines as well as seven hundred posh and proper wives—but a liar."

Thus does a writer in the **Plebs** magazine—an organ of the British workers—not merely destroy one of our most cherished traditions; but he goes on to prove it.

"A patent and manifest liar" was Solomon, says he. "Any one of his 700 taken at random must have taught him things to such an extent as to make it pure bluff to say 'there is nothing new under the sun'."

As reluctant as we may feel about it, we are inclined to agree, after reading the latest announcement of the Chicago Joint Board of the International Ladies Garment Workers Union. The Chicago Joint Board is to start something new—a union-owned factory, different from previous ventures of this kind in the past.

Here is but another evidence of Labor's determination to free itself, gradually and by experiment, from the grip of privately-owned industry. The proposition has been under consideration for some time. It provides for the formation of a company, with a capital of $250,000, to start with —raised by stock, to be sold within a three-month period. The name of the company will be the International Union-Owned Garment Manufactory. It will manufacture coats, suits and dresses for the ladies' trade.

Every garment turned out will, of course, bear the union label; and the Chicago unions will spend a good sum of money during the first year in advertising the product of the concern. An especial appeal will be made to farmers and wage-earners —not only on the ground that it is a union-owned product, but that it is a better-made product than turned out by private industry at the same prices.

Vice-President Meyer Perlstein, who is in charge of the Chicago district for the International, is working with the Joint Board on the project. The International is not financially interested in the effort, but has endorsed the Joint Board's decision to put the plan in action. Such a program—of union-owned factories—has received the endorsement of several recent conventions of the International. This step marks the first concrete attempt to make these endorsements effective. Workers from every trade should rally to its support. See that your wives and sisters buy the product of this concern when it is put on the market. There are few more effective ways that you can help to push forward the freedom of the workers.

WITCH BURNING—AND OUR OWN MR. SCROOGE

EIGHT men convicted of Criminal Syndicalism in California!

So run the headlines in **Industrial Solidarity** for November 10. Yes, you heard aright. November 10, 1923. They are still burning witches in the Golden West. They are still jailing men merely for their unorthodox opinions.

Matthew Woll, of the American Federation of Labor, calls upon the Labor Press of the country to take up the cudgels against such outrages. The labor organs, without regard to their views of the opinions of those jailed, he says, must see that the laws are repealed which make such sentences possible. The criminal syndicalism and sedition laws must be wiped off the books of every state. They have no place in the American scheme of things.

So also says a conservative gentleman—Hon. Charles Nagel, Secretary of Commerce and Labor under President Taft. "Free people must revolt against sentences for harboring or uttering an opinion," he writes in a recent issue of **Collier's Weekly.** He pleads for unconditional and general release of all political prisoners remaining in the Federal prisons. With the war over quite a while, our "free" Government persists in keeping 34 men in prison, not for any act committed, but purely for their opinions. Two of these men—Quigley and Tabib—are reported dying from tuberculosis in Leavenworth. Only the other day the last of the German spies was released by Presidential act. But Americans—who did nothing but hold "peculiar" views are kept behind iron bars. Victims of the System's hate are they, and nothing else!

President Coolidge has appointed a committee to "investigate" the cases of these prisoners. The committee is composed of Newton D. Baker, former Secretary of War, Brig. General Harbord, and Bishop Brent of the Methodist Church. Let us fervently hope that these gentlemen will not "investigate" until another year has come and gone. Labor does not want "investigation," but action. One of the fine, sarcastic things to look back to in the future generation will be the picture of these three reactionary gentlemen sitting around a table, "investigating" whether freemen may be free.

Christmas is almost here—another Christmas. Does Calvin wish to dress himself up in the role of Mr. Scrooge—the hard and harsh, who did not know what Christmas meant? We might well advise him to read Dickens' "Christmas Carol," and see himself as he looks—fumbling over the release of these men.

THE SUPERPOWER FIGHT—IT IS UP TO YOU

THE Fight is on!"—the biggest fight for the preservation of natural resources in the history of this country.

That was the challenge which rang through the last issue of LABOR AGE. The American Federation of Labor and the Public Ownership League have both thrown down the gauntlet to the private interests trying to grab our waterpower—by declaring for the public ownership of Superpower, generated by a hydro-electric system.

Herbert Hoover, putting on the panoply of righteousness, as usual, in order to help along "private initiative," is ready to push forward the big grab. There is but little doubt that he has the aid and comfort of all the reactionary outfit surrounding one Calvin Coolidge of Massachusetts. They wish to follow up Secretary Fall's raids on Teapot Dome and other natural resources by this colossal steal.

The people of New York State, in the recent election, had the good sense to vote against the give-away of their water rights to private companies. They had visions of the many other steals of like character that have been put across by henchmen of the interests in the past. But that is only the beginning of the fight. The electric interests are on the job 365 days of the year. Already, according to the "New York Journal," they intend to follow up the lead of the virtuous Herbert by sending their engineers and spokesmen through the country to tell us of the virtues of privately-owned Superpower.

The way to beat them is by keeping the people informed of the facts—everywhere throughout the nation. The Public Ownership League will furnish speakers on this subject, and so will LABOR AGE, whenever these speakers are wanted. Every local union, at least sometime during the year, should be advised of just what this fight is all about.

In the meantime, remember the facts about the great publicly-owned Hydro-Electric System of Ontario, which is causing the interests all this worry. It speaks for itself, more eloquently than do the lies of the "inspired" engineers and henchmen in high places, of the electric interests. As Dr. Delos F. Wilcox (the public utility expert) has said: "We may well sympathise with a prostitute for being forced by economic conditions to ply her trade, but we certainly should not elect her president of a woman's suffrage society." And thus, adds he, though we may understand how engineers sell themselves to the companies for hard cash, we are but fools to take their words on any subject of public concern, which affects their industry.

Re-read the November issue of LABOR AGE, and also read the monthly journal of the Public Ownership League (Vol. V., No. 10), containing the address of Mayor C. A. Maguire of Toronto. One little item for remembrance from the Mayor's speech. Despite the fact that the Hydro-Electric System has been burdened with increased costs since the war—as have other industries—its management has been so efficient and economical that the rates to the people of Ontario have actually decreased since the war. They pay at present for their power less than they did before the war. Think of that! When we remember that the pre-war rates of this publicly-owned system were from 30 to 50 cents lower than before its establishment, we can fully understand the Mayor's statement that this achievement is "fully appreciated by the citizens of Toronto."

That is what the fight in this country is all about. It is for cheaper rates, efficient service under a publicly-owned system versus high rates, watered stock and inefficient service under a private ownership steal. The outcome of the battle depends on each and every one of us. It is up to you!

CASH FOR PROGRESSIVE IDEAS

"HEAR ye! Hear ye!"

Cash prizes are actually being given away for progressive ideas. It is so often that we hear of prizes given away on economic subjects that have a string anything but progressive attached to them, that it is quite a surprise to learn of something of a different character in the air.

The League for Industrial Democracy, in addition to the other effective work it is doing in our colleges, has offered a series of prizes for essays on certain specified economic subjects. The subjects chosen include: "The Effect of Business Cycles on Radical Movements in the United States," and "Remedy for the Housing Shortage, Based on Recent Experience." Other subjects may be chosen by contestants if approved by the judges. The contest is open to students of recognized colleges and also to such students of workers' educational institutions as have taken three or more courses for two years. The first prize is for $200, and the second for $100. The judges are, Prof.

William Ogburn of Columbia University; Prof. Arthur Holcombe, of Harvard University; Prof. Alvin Johnson of the New School for Social Research; Fred. Hewitt, editor of the "Machinists Journal," and Nicholas Kelley, formerly Assistant Secretary of the Treasury.

This is a fine start. It is to be hoped that it will be continued. We can well look forward to the day when a workers' educational establishment can find the wherewithal to finance similar prizes for students of such institutions alone.

THE MOLDERS' 1923 MODEL

A TRADE UNION, comments the **International Molders Journal**, is like an automobile. It changes its "model" each convention, but bases it on the same essential form of organization.

The International Molders Union has just turned out its 1923 model. It is based on the needs of the molders, and not on the needs of any other craft or industry—and a good model it seems to be. The members of other unions will be interested in checking up on the new steps taken, with a view to seeing whether any one of them also meets the needs of their own organization.

To the sick benefit fund and the out-of-work fund, already in existence for the aid of the union's members, the International has now added **a life insurance association.** Because of the development of group insurance in this country, and because of the fact that the International office already has at hand the necessary clerks, quarters, etc., for carrying on the business, the rates of the International Molders Insurance Association will be lower than those of the Fraternal Insurance Congress. Members well advanced in age will also be able to secure this insurance.

The regular death benefit will continue as in the past, a member being entitled to $100 after one year's membership, and then progressively advancing up to $200. Under the insurance plan, the member can secure a policy of from $500 to $3,000, immediately upon joining.

The union declared for a Labor Party. It instructed its delegate to the American Federation of Labor to see that the Federation's constitution was amended to provide for such a Party. The vote was taken after a lengthy discussion. It stood 185 delegates for a Labor Party, 158 against, and 8 not voting. Later on in the convention, by a seeming inconsistency, it was decided that the Journal should not be open to partisan political discussion.

Amalgamation of the metal trades was endorsed. Before such a step meets the approval of the Molders, however, the other organizations in this industry must bring their dues up to the same level as those of the Molders. The proposal must also be approved by referendum of the entire membership. President Valentine also reported that within the Metal Trades Department itself, joint action was being more carefully worked out, with more chances of success for the future.

TOURISTS
HAVE YOU HEARD THE BUSICK ANTI-LABOR INJUNCTION?
THE RIGHT OF TRIAL BY JURY ABOLISHED
STAY IN THE UNITED STATES
BOYCOTT CALIFORNIA
DO NOT VISIT OR SPEND MONEY IN THE STATE OF ORANGE GROVES AND JAILS

Industrial Pioneer

FITTING PUNISHMENT FOR CALIFORNIA'S CRIME

The historic Conference Agreement—in existence for the last thirty-two years between this union and the Stove Founders National Defense Association—was strengthened by provision of more definite machinery. An annual conference between this group of employers and the union is to be held each year. It is now a part of the union's constitution—it being provided that each November all the local unions affected shall send representatives to a conference which in turn shall choose an advisory committee of fifteen. From this committee the President and Executive Board of the International shall choose the six men who are to meet the employers in conference.

The Molders have shown their determination to meet new conditions in a new way. May success attend their resolution to make a strenuous drive for further organization of the metal industry!

Keystone Photos

WHY BRITISH LABOR WILL WIN

Unemployed in Liverpool Mass Meeting—Labor has only remedy for their situation.

THE FIGHT IS ON.

"BEWILDERED BALDWIN" is now at bay. "Bewildered Baldwin" is none other than the Premier of Great Britain—given this unceremonious title by British Labor's daily.

The Premier "has gone to the people." He has discovered "Protection"—a high tariff—as the weapon with which to battle Unemployment! Mr. Bonar Law had promised tired Britain that there would be no disturbance of the present tariff system. But Baldwin—though he had promised, too—sees it now in a different light. Therefore, he has gone to the people—and a general election will follow.

What else could poor Baldwin do? The Labor Party have pressed and pressed until they have got him to the wall. They have driven home the Unemployment issue to the workers throughout the country. They have insisted upon an immediate program of relief, through gigantic public works and a settlement of Europe's turmoil. They have hammered on a permanent program "to turn the unwilling into the willing producer by producing, not for private profit, but for common use."

It was the week of October 22 that the Labor Party had set aside to make a special drive, to call attention to the Unemployment Problem of the coming winter. It was that week, also, that the Tory Party met at Plymouth—and there that the Premier came out for a protective tariff. It was the only way, he said, to fight Unemployment—and "if necessary," he would go to the country on that issue. Later, it was found "necessary."

The Labor Party declares itself ready for the fray. Ramsay MacDonald, leader of the Party, in an eloquent speech on his return from a visit to the continent, declared: **"The issue on which we shall fight is not Protection versus Free Trade. It is Protection versus the Labor Program."** "So far as Protection is concerned," he added, "it is not a cure; it is a diversion. It is a magnificent method of side-tracking a serious movement."

The Labor Party will insist upon the freer development of Britain itself, upon a Capital Levy to pay off most of the heavy debt, and on the introduction of a Socialist System of production to meet the problem of unemployment itself. MacDonald said in his fiery address, in accepting Baldwin's challenge, that those who oppose Socialism "do not know that all the saints and seers of the 19th century—Carlyle, Ruskin, Robert Owen, Shaftesbury—have been pioneers of Socialism. Not a single great name could be shown in opposition to the principle that common interests, and not private interests, must come first."

So, the fight is on. A clear-cut fight: Labor vs. the Conservatives.

DREAM OR NIGHTMARE?

A QUIET little party has been going on in London during the last month. Or rather, it has been a series of parties.

It has been nothing more nor less than the Imperial Conference—a gathering of the leaders of all the British Crown Colonies and Dominions of the Empire—and the Economic Conference of the representaives of said Colonies and Dominions.

The party has been kept quiet by a policy of secrecy, which puts the old diplomacy of "before the war" to shame. Scarcely a word of the gathering has appeared in the American press. The Britishers are treated no better. "So far the

public have been given no real information as to the doings of the Conference proper," **Foreign Affairs** complains, "while even in the reports from the Economic Conference there are significant gaps. The Press is either genuinely ignorant or acting under the orders of a self-imposed censorship."

The meeting is part of the business of owning the world's biggest Empire. There have been a small but powerful group, through their publication, **The Round Table,** striving for some years to bring the Dominions and Colonies into a single unit—a close-knit British Empire. During the war it seemed as though their dreams might come true. In the Imperial Conference of 1907—ten years after the first Imperial Conference had been held—the idea of Empire Federations began to take concrete shape.

But the end of the war changed the situation. "At the Imperial Conference of 1921," the **Labour Monthly** informs us, "they received a rude shock; the Dominion Premiers refused absolutely to allow the proposed constitutional conference to be held at all." When it came to the signing of the Two Power Pact at Versailles—by which England and America guaranteed to protect France in case of attack—Canada refused to sign. In other words, Canada declared that in case of war she would remain neutral—and that meant severing connection with the Empire.

British Capitalism today is afraid, and wants aid and comfort from the British "dependencies." The turmoil of Europe has killed Britain's nearest market—and she is a merchant nation. It was almost in a panic that Bonar Law called the conference, over which Baldwin is presiding. It is considering such things as "fuller development of natural resources," "discussion of preference tariffs," "emigration," etc. The first means that Great Britain wishes to assure for herself the business of giving credit to colonial ventures—to receive in return raw material and to sell this back as manufactured goods. The second, that something like a Customs Union would be created which would make England and her "dependencies" a self-sufficient economic whole. The third, that the unemployment cloud—hanging so threateningly over the Mother Country—would be "dissolved" by the Tory method of sending workers to the Colonies.

But, unfortunately for the fathers of the scheme, Britain herself comes with almost empty hands to the gathering. Her "dependencies" are not dependent. They do not wish to be bound to one credit market. In several instances they have gone to New York for money rather than to London. Lately, when London refused to loan to Queensland for state projects, that Labor Government secured the needed credit in America. Again, Canada and Australia are no longer "raw product" countries. They have become manufacturing countries on their own responsibility. They do not need England's manufactured articles any more; in fact, they want to sell their own finished products to England. Also, they can hardly fall in with any scheme of emigration that will be effective. The money appropriated by the British Government is too small to make emigration work on a big scale; and South Africa has served notice that it has enough labor, in its huge colored population. These are much better for exploitation than white out-of-works for Britain.

The failure of the conference, so far as a closer step toward an Empire Federation is concerned, is prophecied both by the **Round Table** on the one hand, and the labor and radical journals on the other. The Dominions simply will not be entangled in European affairs. They are feeling their own importance as separate and distinct countries. The British Empire is becoming a ramshackle structure. "The dream of a white Empire is gone forever. The cold realities are showing themselves more and more clearly: and the Dominions of the twentieth century are seen to be going their own way as did the American colonies 150 years ago."

Or, as the Monthly Circular of the **Labour Research Department** puts it: "The Empire must sooner or later resolve itself into its constituent elements, based on the several centers of economic power. Such efforts at reconciliation as the Imperial Conference are therefore bound to be futile."

The Imperial dream is, after all, perhaps a nightmare.

THE "PELLERVO"

"PELLERVO! Pellervo!" Where have you heard that before?

No, it is not the name of one of those prehistoric monsters whose ten-million-year-old eggs have recently been found in the wilds of Mongolia. Though it has to do with eggs, in part, at that.

The "Pellervo Seura" or Pellervo Society is nothing more nor less than the organization for the encouragement of cooperative enterprise in Finland. It is something unique. In most other countries cooperation has sprung up from local societies, which have gradually spread throughout the nation and have come together in a central body, for greater self-help and efficiency. In Finland the whole cooperative movement has come from above—as a result of the work of the "Pellervo."

The Finn is often spoken of as a natural cooperator. In this country—both in the Northwest and the East—he has stepped into the first ranks in showing how successful cooperation can be carried on. And yet it was not until 1899, when the Pellervo was born, that cooperation existed at all in that country. The story of the rise and growth of the movement, under the spur of the central body, shows what work is still before us in America.

In the beginning the society was composed of individuals. But today only cooperative societies are eligible to membership. At the end of 1921—as reported in the October issue of the **Interna-**

tional Labour Review, organ of the International Labor Office of the League of Nations—its membership totaled 499 societies. These included 101 stores, 122 dairies, 185 loan societies and 3 central organizations. They pay 400,000 Finnish marks annually to the Pellervo, and the State adds another 175,000 Finnish marks. (The Finnish mark is worth at par one-fifth of a dollar; but today is valued at only one-fortieth of a dollar.) Finland is one of the few countries which has worked hand in hand with the voluntary cooperative movement.

In all, there were over 3,400 local societies in existence at the beginning of last year—most of than in the farm country, as this is largely an agricultural land. Ten central bodies exist—two wholesale societies, associations for the export of butter and eggs (dairies run by Swedish-speaking Finns), and forestry and cattle selling societies. It is interesting to know that the two wholesales, which exist as a result of a split over the question of representation, instead of injuring each other by competition, have apparently benefited themselves and the movement. They have built up two systems of stores over the country, whose rivalry has spurred them to greater efficiency and better methods. Not alone purchase of goods and production is carried on cooperatively, but also almost 900 cooperative credit societies are in existence—an important thing for both farmer and worker.

How encouraging and inspiring is this conclusion by the Secretary of the Pellervo, in the **Labour Review** account:

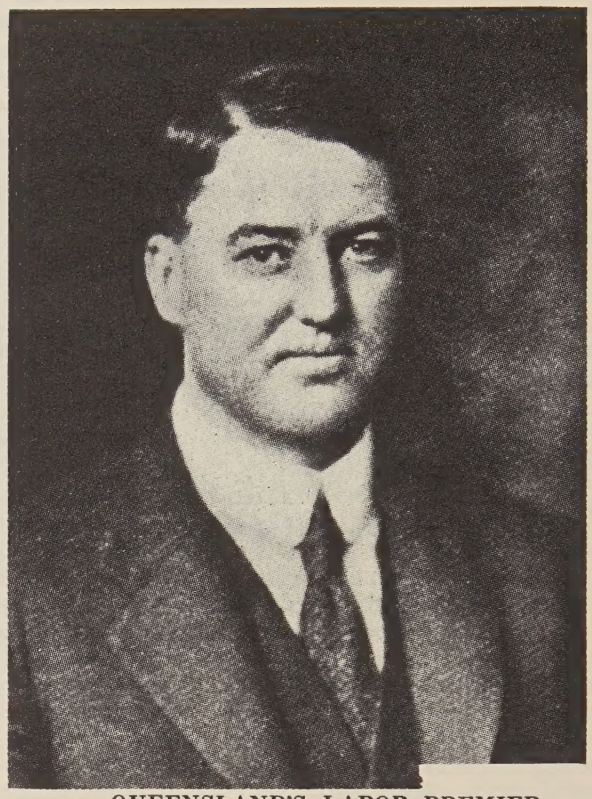
"Less than a quarter of a century has elapsed since the pioneers of the co-operative movement in Finland, confident in its possibilities, founded a society for the promotion of co-operation before co-operation was a practical fact. Within this short period the movement, working outwards from theory to practice, has gained a firm footing, in spite of the difficulties it has had to face. A country with an area of 145,000 square miles, one-eighth of it occupied by lakes and rivers, and a population of only 3½ million, three-fourths of which is scattered thinly over the country districts, presents obstacles to the development of co-operation which are unknown in countries where the population is denser and natural barriers to communication between village and village are absent. Nevertheless, growth has been steady, successes have outnumbered failures, and the supporters of co-operation have every ground for believing that the history of the past affords a guarantee of continuous progress in the future."

LABORLAND

KANGAROO and Bushman are not the sole marks of distinction of the island-continent, Australia.

That vast land, which stretches from Cape York Peninsula—through mountains, deserts and pastureland—to Flinders Bay and West Cape Howe, was one of the earliest of countries to give Labor a dominant voice in government.

This particularly has been and is the case in that large and populous state known as Queensland, with Brisbane as its capital. Just as the Spanish De Torres, who gave to Australia its



QUEENSLAND'S LABOR PREMIER

name, little thought that he was laying the foundations for a new English province, so did the English themselves little think later on that in naming its eastern section "Queensland" they were really preparing for "Laborland."

Yet that would be an appropriate name for that 670,000 acres of territory, with its 800,000 inhabitants. No millenium exists there. Premier Edward G. Theodore, the Labor party leader, warns us against imagining that, in his account in **The Labour Magazine,** organ of the British Labor Party and Trade Union Congress. But this has taken place: "In comparison with the Tory governed states of the Commonwealth, wages in Queensland are higher, working hours are lower, the cost of commodities is less, the standard of life is at a higher level, and generally the workers of Queensland are infinitely better situated socially, politically and industrially than workers elsewhere."

And then he proceeds to give the following partial list of the things Labor has accomplished and put into effect. It deserves careful reading, for it is no mean achievement.

"Industrial arbitration" heads the list. Then follow:

"Unemployed workers' insurance; workers' accident insurance and compensation; State insurance, covering all classes of risk and embodying a monopoly of workers' accident insurance; State enterprises, including cattle stations, meat-shops, sawmills, fish markets, farm produce agency, etc.; profiteering prevention; taxation of land

(Continued on next page)

BOOK NOTES

Edited by PRINCE HOPKINS

PAMPHLETS WORTH READING

THE League for Industrial Democracy continues to put out its compact and meaty pamphlets. Beside the **"Challenge of Waste,"** by Stuart Chase, and the **"Challenge of War,"** by Norman Thomas, four others are now ready: Scott Nearing's **"Irrepressible America,"** George Soule's **"Intellectual and the Labor Movement,"** and Harry Laidler's **"Public Ownership"** and his **"Recent Developments in the American Labor Movement."**

Soule discusses some of the difficulties in the way of the fullest co-operation between technically trained men and the labor movement. There is apt to be misunderstanding on both sides. The workers may expect impossible things of the intellectual, and, when these are not realized they may become contemptuous of intellectuals being of any use at all. The latter, on their part, may over-idealize the workers; and then, may seek to preach to them about policies which a man in the actual fight alone can develop. Soule tries to tell just what each may reasonably expect of the other, and the opportunities and mutual advantages of their getting together. As usual, he does this very well.

Laidler's "Public Ownership" pamphlet is larger than the others. He gives a rather imposing survey of the businesses in public hands before and after the war, devoting especial attention to the United States and Canada. It is, therefore, a very useful pocket reference book for the laborite and especially the Socialist, who is being called on constantly to tell what ventures in public ownership are successful, or to refute a preposterous charge that democratic management cannot be as efficient as private management.

All these pamphlets can be obtained through the League, whose address is 70 5th Avenue, New York.

WHAT'S AHEAD FOR CIVILIZATION?

RECENTLY I had an interesting chat with Bertrand Russell on his latest book, "The Prospects of Industrial Civilization," which he has written in collaboration with his wife. He thinks that the danger we have to combat is not merely of Capitalism as against Collectivism. There is also the danger of machine-like Imperialism, likely to obsess even a Socialistic state like Russia. He feels that the change of any agricultural state suddenly into an industrial one, means a draining of men from existing industries which will result either in foreign loans or temporary poverty and oligarchic government. But the transition of England to Socialism can be effected without the sufferings which had to accompany it in Russia.

Russell was much impressed during his stay in China by the fact that a people if non-industrial can, in spite of indescribable poverty, be obviously happy. But I got him to admit that racial and temperamental factors have much to do with it, since the Hindoos, though also a primitively agricultural people, and though living in a variety of climates, are essentially melancholy.

I wish I had space to tell more of this book, but I must leave it to be read by you. It is compact, with flashes of illuminating information upon every phase of its topic—a brilliant work.

BREEDING WARS—AND STOPPING THEM

ECONOMIC Imperialism caused the last great World War. That is generally recognized today among folks that know anything about the matter, including some of the chief war makers themselves. Economic Imperialism will cause the next war—which science will make a frightful thing to contemplate.

A study of imperialism such as has been produced by Dr. Edward M. Earle, of Columbia University, will be of great help to groups, such as labor unions, bent on stopping future conflicts. The book—**"Turkey, the Great Powers and the Bagdad Railway"**—shows where the breeding place of the next international war will be. Right now it is at work, in the making of hatred between nations.

The rich and undeveloped lands of the Ottoman Empire are now being opened for exploitation. When other nations short-sightedly turned down the opportunity of developing these fertile sources of oil and other mineral supplies, Germany took up the "burden." It built the famous Bagdad Railway, which opened up this region to connection with the rest of the world. The Bagdad Railway was a menace to the commercial ambitions of Great Britain, Russia and France. It was one of the chief items making for the World War.

No one can read Chapter XII of Dr. Earle's book on the new struggle for the Bagdad Railway, now going on, without sensing what disaster is ahead for mankind. The rivalry between the conquerors of Germany is preparing the way for new bloodshed and chaos. Labor unions can well discuss this book in their educational meetings, with a view to opposing Economic Imperialism and War—no matter what the consequences. The book is published by the Macmillan Company.

Hand in hand with the Earle book might also be read the **"Report of the International Peace Congress, held at The Hague under the auspices of the International Federation of Trade Unions."** It gives the debates of the representatives of the European workers on what measures to take to stop effectively the on-coming conflict. The viewpoints of all the wings of the Movement are contained within the 200 pages of the booklet. The report contains the speeches of Arthur Henderson, J. H. Thomas, Margaret Bondfield, Jane Addams as President of the International League of Peace and Freedom, Leon Jouhaux of the French Confederation of Labour and the Communist leaders, Radek and Losovsky.

Although the conference was held last December, its discussions are none the less timely. The problems which it found itself confronted with remain as unsolved one year later as they were then. Labor libraries should be equipped with this interesting report. It can be obtained in this country from the Rand Book Store, 7 East 15th Street, New York.

(Continued from page 28)

values; fair rents courts; agricultural secondary education; workers' homes; co-operative pooling of primary products; stoppage of the sale of crown lands; perpetual lease tenure in land settlement; organization of farmers; establishment of maternity hospitals; infant welfare and baby clinics; dental, medical and ophtalmic attention for school children; abolition of capital punishment; legal reform and appointment of public curator (defender)."

The State enterprises, he tells us, were not "inaugurated as the commencement of a State-wide scheme of nationalization of industry." The Labor Party's hope lies in a gradual and efficient extension of cooperative enterprises, helped when necessary by State authority and support.

It was in 1915 that the Labor Party came into power in Queensland. At that time it carried 45 seats, with 27 non-Laborites in the local Parliament. In four subsequent general elections its strength has remained substantially the same, sometimes going higher, sometimes falling. Today the party holds 45 seats, with 27 in the hands of the non-Laborites.

For Christmas and the New Year

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